



Daily Report

Latin America

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10 November 1988

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CONTENTS

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

CARIBBEAN

Cuba

Havana Comments on U.S. Election Results	1
More on Bush Victory, Background	1
Stand on Contras Reported	2
Envoy Camacho Meets CPSU Secretary Yakovlev	2
Commentary Lauds Soviets on GOSR Anniversary	2
Vice Minister Viera Meets Netherlands Officials	2
Minister Closes Educational Improvement Seminar	3
Electric Workers Increase Efforts To Meet Plan	3
Metallurgical Cooperation Meeting Begins	3
Police Operations Against Crime Viewed	3

Bahamas

Teachers Demonstrate for Better Pay, Conditions	4
Defense Force Confiscates Cocaine; No Arrests	4

Dominica

Minister Carbon To Head Housing Department	4
--	---

Grenada

Blaize Welcomes Bush as U.S. President	4
Opposition Leader Urges Bush To Review CBI	5

Grenada

Labor Party Examining Member's Discipline	5
---	---

Haiti

Political Party States Position on Draft Decree	5
Union Leader Interviewed; Backs General Strike	6
Workers in Saint-Marc Begin Work Stoppage	7
KID Files Complaint Against Police	7
PPNH Asks Avril Government To Resign	8

Jamaica

Prime Minister Seaga Congratulates Bush	8
Seaga Signs Loan Agreement With Japan	8
Gap Narrowing Between Competing Parties	8

St Lucia

Delegation To Assess Venezuelan Housing	9
---	---

Trinidad and Tobago

Junior Minister To Take Over Public Service	9
---	---

MEXICO

USSR Seeking Increased Trade Relations [EL NACIONAL 5 Nov]	10
Report Details Administration's Achievements	10
World Bank Affiliate Grants \$60-Million Credit [THE NEWS 5 Nov]	11
Pemex Lowers Istmo Oil Prices in Oct [EL DIA 5 Nov]	11
* FDR Representative at Conference on Chile [EXCELSIOR 12 Sep]	11
Polling Places Open Late in Elections	12
Tabasco State Elections Conclude, Large Turnout	12
Irregularities Reported [AFP]	12
Leftists Peacefully Seize 4 Embassies [EFE]	13
Three Vacated [EFE]	13
ANN Office Receives Threatening Phone Calls [EL DIA 6 Nov]	13
Police Arrest Cattleman Linked to Cocaine Cache	13

CENTRAL AMERICA

Costa Rica

Foreign Minister Comments on Bush Victory	14
---	----

El Salvador

Duarte on U.S. Elections, Guerrillas' Trips	14
Radio Venceremos Reports FMLN Activities	15
'Communique' Issued	15
Casualties in Morazan [Venceremos]	15
Army Reports 2 Guerrillas, 1 Soldier Killed	15

Guatemala

Politician on 'Complicity' With Nicaragua [LA PRENSA LIBRE 8 Nov]	16
---	----

Honduras

Officer Charges 'Manipulation' of Refugees [ACAN]	16
Central Bank Directorate Issues Economic Report [LA TRIBUNA 7 Nov]	16

Nicaragua

Contra Leaders on Bush Win, Future Plans [EFE]	17
Bermudez on New Contra Aid [EFE]	17
Cuban Control of Relief Efforts Questioned [LA PRENSA 7 Nov]	18
Labor Ministry Announces Wage Increases	18
Authorities Announce New Currency Devaluation [ACAN]	18

Panama

Political Leaders Comment on U.S. Elections	19
Solis on Future Relations [DPA]	19
Ritter: No Change in Policy [LA ESTRELLA DE PANAMA 9 Nov]	19
Arias on U.S. Policy [DPA]	20
Commentary on U.S. Presidential Elections	20
PRD Leader: Unification Needed for Elections [LA REPUBLICA 8 Nov]	21
Aquilino Boyd Appointed OAS Ambassador [LA ESTRELLA DE PANAMA 9 Nov]	21
Five Killed, 350 Arrested in Cartel 'War' [MEDIODIA 8 Nov]	21

SOUTH AMERICA

Argentina

Alfonsin Congratulates Bush on Election Victory	23
Peron's Widow Supports Amnesty for Military	23
New Military Household Chief Sworn In 9 Nov	23
Soviet Scientists Visit Argentine Antarctic	23
Three Cocaine Laboratories Found; Two Detained	23

Bolivia

Foreign Minister Views U.S. Elections	23
Government To Request Resumption of U.S. Aid	23

Brazil

President Sarney Congratulates Bush on Victory	24
Army Troops Occupy National Steel Plant	24
2 Killed, 'Several' Injured	24
* Space Cooperation Accord Signed With USSR [CORREIO BRAZILIENSE 20 Oct]	24
Nationally-Made Nuclear Reactor Begins Work	26
Sarney Expels Three Foreign Drug Traffickers	26

Chile

Pinochet, Foreign Minister Congratulate Bush	26
Commentary Supports Bush Election Victory	26
Indictment of HOY Director, Others 'Reversed'	27
Carvajal: FPMR Propaganda Not Allowed	27
Pinochet Promotes Six Army Brigadier Generals	27
Sinclair To Become Lieutenant General in Dec	28
Metropolitan Region Intendant Resigns	28
Government Purchases Portion of Foreign Debt	28

Colombia

Barco Hopes 'Normal Relations' With U.S. Continue	28
New Defense Minister Holds News Conference	28
Rebels Kill 2 Policemen in Barranquilla Attack	29
Authorities Destroy Marijuana Fields, Shipment [AFP]	29
* Mining Minister on ECOPETROL Finances [EL TIEMPO 30 Sep]	29
* 1988 Crude Oil Production Reported Down [EL ESPECTADOR 7 Oct]	30

Peru

President Garcia Comments on Bush Victory	31
Progovernment Sector Criticizes Right [EFE]	31
* Calls for Garcia's Resignation, Rumors Noted [OIGA 26 Sep]	32
Workers Striking Against Salary Ceiling [EFE]	34

Suriname

Union Leaders Accuse Netherlands of 'Meddling'	35
Delegation Wants Normalization	35
Soemita Claims 'Interference'	35
Caricom Official Meets With Foreign Minister	36



Cuba

Havana Comments on U.S. Election Results

FL0911153688 Havana Radio Progreso Network
in Spanish 1200 GMT 9 Nov 88

[Text] George Bush, Republican candidate for the U.S. Presidency, won the race for the White House, clearly defeating yesterday his Democratic adversary Michael Dukakis. This morning, even though there were still results from some western states to be computed, Bush had already obtained 320 of the 558 electoral votes. Bush's victory is the fifth for the Republicans in six presidential elections within the past 20 years. This is the first time since World War II that the same party has obtained three consecutive presidential mandates.

Next January, Bush will take the post as the 41st President of the United States and will succeed Ronald Reagan under whom he was the vice president. In the last 152 years, the Americans had not elected an outgoing vice president to the White House.

Yesterday, President Ronald Reagan called Bush to congratulate him on his triumph which will allow him, according to his definition, to continue with the changes achieved by the Republican Party. Bush thanked Reagan for his additional effort in the campaign, and called him his best friend and the most honest man he knows.

In his first statements after the elections, Bush said that he will be committed to keeping the country strong and decisive, adding that he has also pledged to be as courteous and compassionate as possible. In his 4-year mandate, which will begin on 20 January, Bush promised to work constructively with Congress, which remains solidly in the hands of the Democrats. According to experts, Bush is going to the White House with little knowledge [poco habitual] on foreign relations for a U.S. politician, and with a reputation of being pragmatic but without great plans.

Yesterday, President Daniel Ortega made a call to the new president for a dialogue in search for peace. Ortega said to NBC network that Bush experienced the failure of U.S. policy in Nicaragua and Central America, and the normal thing to do is to try a different policy. Also yesterday, George Bush's son, (Jeff Bush), said in Houston that the leader will reactivate the armed opposition against the Sandinist Government.

In Guatemala, President Cerezo said that he did not expect changes in U.S. policy which will affect his country. Cerezo emphasized, however, that the new president will have to be respectful with those who search for a negotiated solution to Central American problems. In Honduras, President Jose Azcona expressed his hope that the new U.S. leader will not forget the problems of the subregion. Honduras is the main ally of the United States in Central America and holds within its territory, U.S. and Nicaraguan contra

bases financed and led by the CIA. In Miami, the State Assembly Senator (Iliana Ross) said that Bush's triumph is a victory for anticommunism and for the conservative movement which must continue its path. In Costa Rica, President Arias said: I hope Bush will listen and pay attention to us because no one knows Central America better than the Central Americans. Arias predicted that U.S. policy for the area depends to a great extent on who surrounds Bush during his Presidency at the White House. Overall, Latin American chiefs of state do not expect great changes to occur in U.S. policy towards the continent.

As for Cuba, Bush's statements during his presidential campaign were almost always aggressive and threatening.

More on Bush Victory, Background

FL0911232388 Havana Radio Reloj Network
in Spanish 2048 GMT 9 Nov 88

[Marcos Gomez Sanchez commentary]

[Text] As analysts have well said, the U.S. elections which sent Republican George Bush to the White House are more reason for sorrow than for celebration. The political system is bankrupt. The abstention of almost half of the Americans able to vote shows that neither of the two main political parties inspires confidence in the U.S. people. What made Bush win the majority of the few who did vote?

The Reagan administration, in our opinion, maintained a standard of living among the middle class above what the U.S. economy allowed. It would take too long to explain how they did it. The United States got concessions from its Western allies, played with the value of the dollar, and increased interest rates of its loans. These apparent and brief successes were passed on to the vice president.

It is known that for several years the poorer sectors of the United States are the ones that do not express their opinion by voting. Laborers and black and Hispanic citizens did not want Bush. The Republican administration forgot them, cut social welfare funds, increased the cost of the education system, and made medical services practically unavailable for these classes.

The Democrats wanted to run with the hare and hunt with the hounds. They disowned the popular support given to Jesse Jackson and did not attack the Reagan policy hard enough. Additionally, all taxes have to be paid, accounts clear, and documents in order to be able to vote in the United States. The popular vote is shadowed by a so-called electoral college in which a little over 500 people finally decide who the president will be. This is what happened with Bush.

George Walker Bush, 64, who will be U.S. President for the next 4 years, is one of those who believes that the way a political line is taken forward doesn't matter when the

final objective is at play. In reviewing his record, we would see that Bush likes to step on dirty soil. In 1973 he was president of the Republican Party precisely during the time of the political corruption scandal known as Watergate. This cost Richard Nixon the Presidency. In 1976 he directed the CIA's international covert operations and, more recently, he turned out to be an obvious player in the Iran-Contra scandal. For many, this individual is a question mark in his new post. However, he will have to rule with a nondocile Congress which can confront him with his controversial political maneuvers.

Stand on Contras Reported

*FL0911221088 Havana Radio Reloj Network
in Spanish 2142 GMT 9 Nov 88*

[Text] Without proclaiming himself a contra as Ronald Reagan did, U.S. President-elect George Bush has reiterated that he will continue the White House's support to the Nicaraguan armed individuals. In his first news conference after being elected president, Bush said in Houston that he will continue the Reagan policy of pressuring the Sandinist government to comply with what he calls democratic promises.

Bush noted that the Nicaraguan contra subject will have a high priority during his administration and assured that he will do everything necessary to establish freedom and democracy in the entire hemisphere, without explaining how he will do it and what he means by the two terms.

Bush also said he will appoint a totally new Cabinet team headed by James Baker as secretary of state.

Envoy Camacho Meets CPSU Secretary Yakovlev

*FL0911161188 Havana Radio Reloj Network
in Spanish 1524 GMT 9 Nov 88*

[Text] Alexander Yakovlev, CPSU Politburo member and Central Committee secretary, today received Julio Camacho Aguilera, Cuban ambassador to the USSR. During the meeting, held in a cordial and friendly atmosphere, both parties studied the development of bilateral relations, as well as various aspects of the current political situation.

Commentary Lauds Soviets on GOSR Anniversary

*PA1011001588 Havana International Service
in Spanish 0100 GMT 8 Nov 88*

[Station commentary read by Ezequiel Perez Martinez]

[Text] In the midst of a thorough reorganization of the entire society, the USSR commemorated the 71st anniversary of the Great October Socialist Revolution [GOSR], an event that not only marked a new life in the USSR but also established a new principle in the history of mankind. The

establishment of the world's first workers' and peasants' state was the logical result of the development of ideals and the workers' struggle for freedom, peace, and social justice, and against oppression.

The October victory showed the power of the movement of the entire people that—together with the creation of a proletarian party by Vladimir Ilich Lenin—constituted an extremely important lesson for later times. The October Revolution has had a decisive influence on national liberation movements throughout the world, encouraging them by showing that it was possible to establish in practice a state not based on the exploitation of man by man.

In the beginning the first socialist state in history had to cope with very complex problems and endure harsh tests, such as intervention, civil war, economic blockade, political isolation, the Nazi invasion, and the hardship of rebuilding the country from the ashes of war.

As the Soviet leader Mikhail Gorbachev said 1 year ago, the USSR has followed a long and heroic path, one that has been difficult and full of contradictions. The Soviet people are currently undergoing a reorganization process that has been described as the continuation of the ideals of the GOSR, in the sense that perestroika is an attempt to fully reestablish, in theory and practice, the Leninist concept of socialism.

Soviet leaders have said there are two key problems in the development of society that determine the fate of perestroika: the democratization of all aspects of society and radical economic reform. Leonel Soto, a member of the Secretariat of the Central Committee of the Communist Party of Cuba, recently said it is in the nature of socialism to seek constant improvement of its political, economic, and social structures. This heritage of Marxism-Leninism is at the center of the reorganization process taking place in the USSR.

Seventy-one years after the establishment of the first workers' and peasants' state, socialism is strengthened and is marching at the head of today's peace processes.

Vice Minister Viera Meets Netherlands Officials

*FL0911173188 Havana Radio Reloj Network
in Spanish 1502 GMT 9 Nov 88*

[Text] First Vice Foreign Minister Jose R. Viera today met in the Netherlands' capital with members of both chambers of parliament as part of his official visit to that country.

In the meeting, the officials discussed, among other things, bilateral economic and commercial relations, as well as the international political situation.

The Cuban vice minister spoke, in particular, of the actual economic situation in the largest Antillian island. He also talked about the topics being dealt with in the quadripartite meetings on southwest Africa, the conflict in Central America, and the Latin American foreign debt.

After speaking with political leaders of different parties, Viera gave a conference at the Netherlands' Institute of International Relations on the Cuban revolution's foreign policy.

Minister Closes Educational Improvement Seminar
FL0911172988 Havana Tele-Rebelde Network
in Spanish 1200 GMT 9 Nov 88

[Text] The National Seminar on Educational Improvement has been closed by Jose Ramon Fernandez, alternate member of the PCC Central Committee Politburo and minister of education.

Over 600 education workers attended the meeting. They were briefed on the guidelines for the application of new fifth grade mathematics and natural science programs which will begin being implemented in the next school year. The educators pledged to continue increasing their individual training and dedicate themselves more every day to the work in the field of education.

Closing the seminar, Jose Ramon Fernandez said that our teachers must exemplify the best in the moral conduct of our people and be active defendants of social order and revolutionary traditions, as the forgers of the new generations. Our (?minister) said: It is and will continue to be [word indistinct] bastion in the struggle for ideas, education, and socialism.

Electric Workers Increase Efforts To Meet Plan
FL0911170088 Havana Radio Reloj Network
in Spanish 1519 GMT 9 Nov 88

[Text] The workers of the Havana Transmission and Distribution Enterprise have fulfilled 102 percent of their duties after having installed more than 100 km of electric line by the end of October.

The Luis Felipe Almeida operations center of the above mentioned organization, extended its work period to 14-hours per day with the objective of guaranteeing the completion of 1,000 distribution transformers that were promised for this year.

To date, 200 transformers have been built and the workers of the operations center of the Havana enterprise aspire to finish the remaining 800 with the quality that is demanded.

During the first 10 months of this year, more than 1,000 distribution transformers were recycled to substitute imports. The workers also made 400 improvements to solve voltage problems.

Metallurgical Cooperation Meeting Begins
FL0911192688 Havana Tele-Rebelde Network
in Spanish 1800 GMT 9 Nov 88

[Text] Ministers and vice ministers of the ferrous and nonferrous metallurgical industry of socialist countries will, as of today, hold talks on steel rolling mills, ferrous alloys, refractors, nickel, cobalt, rare metals, and other elements essential to a country's economy.

The first plenary session of CEMA's permanent commission for metallurgical cooperation began this morning in the Palace of Conventions and will last until 11 November.

Sergey [as heard] Kolpakov, president of the cooperation commission and minister of the Soviet Union's ferrous metallurgical industry, is presiding over the meeting. Eleven CEMA member countries are attending the conference.

The welcoming words were given by the heads of the Cuban delegation: Pedro Miret Prieto, vice president of the Council of Ministers and member of the PCC Politburo, and by Marcos Lage, minister of Cuba's steelworks industry.

In today's afternoon session, the delegates will draft a protocol that will be signed at the conclusion of the meeting on Friday morning.

Police Operations Against Crime Viewed
FL0911214288 Havana Radio Rebelde Network
in Spanish 1800 GMT 9 Nov 88

[Station commentary]

[Text] The police swept the capital once again this weekend. This time it swept the special market located at Monte and Cristina Streets and at the boulevard along San Rafael Street. Over 30 antisocial individuals were arrested for illegal businesses, offenses against citizens, and other crimes.

The population has commented a lot about these operations and other similar ones carried by the police just a few days ago. Public opinion agrees unanimously that these bullies and dropouts must be neutralized permanently. It is already being done. We are acting with justice but with strictness.

A few days ago we warned that no one should fool themselves with regard to this. The revolution is generous, patient, and magnanimous, but not weak. On the contrary, its generosity and patience are based on its strength. May no one think differently.

It will never be useless to remember that we live in a society of workers and that we have at our disposal an extremely powerful state that defends, and will defend to the last consequences, the interests of workers. History has clearly shown this in formidable battles waged

against the most powerful empires of the earth. A small group of maladjusted individuals will not even be used by the revolution as a last-page anecdote. We can be sure of that.

The fight is of a different kind, much more profound, decisive, and important. We have learned to do away with skirmishes in a single blow whenever it has been necessary.

Bahamas

Teachers Demonstrate for Better Pay, Conditions

*FL0911183488 Nassau Domestic Service in English
1700 GMT 9 Nov 88*

[Excerpts] In the news at this hour, there is labor unrest here in the capital and the Bahamas Union of Teachers [BUT] is involved. Union officials are gathering members at the union's headquarters in Stapeldon Gardens this morning, announcing that BUT members are now on work to rule. BUT President Donald Symonette told members they are on alert also. [passage omitted including indistinct portion]

In that meeting, BUT members gathered in Rawson Square demonstrated for a short time while the house was in session. At last report the teachers had gathered at the Ministry of Education to continue their action. The teachers are calling for pay increases and better working conditions in the schools, among other things.

Defense Force Confiscates Cocaine; No Arrests

*FL0911190688 Nassau Domestic Service in English
1700 GMT 9 Nov 88*

[Text] In other news at this hour, drug enforcement agents have confiscated a quantity of cocaine. The illegal substance was discovered by officers of the Royal Bahamas Defense Force stationed at Key Sal. According to information, officers noticed unusual aircraft activity in the area yesterday morning. There was a boat there, also unidentified. Officers moved in to investigate. The boat sped away and 11 bags of cocaine were discovered in a subsequent search of the key. The cocaine has been turned over to Bahamas Strike Force officials. No arrests were made.

Dominica

Minister Carbon To Head Housing Department

*FL0911201488 Bridgetown CANA in English
1559 GMT 9 Nov 88*

[Text] Roseau, Dominica, Nov 8, CANA—Dominica's minister of communications and works, Alleyne Carbon, has been given another portfolio—housing.

Housing was one of the portfolios held by Heskeith Alexander, who is responsible for community development and social affairs.

The government information service said the move to link the Department of Housing with communications and works was aimed at strengthening government's efforts at bringing infrastructural development to housing areas.

About two years ago, Carbon's ministry was given responsibility for water services following the dissolution of the statutory body which managed water.

Carbon's portfolios include the port and civil aviation.

Grenada

Blaize Welcomes Bush as U.S. President

*FL0911233388 Bridgetown CANA in English
2253 GMT 9 Nov 88*

[Text] St George's, Grenada, Nov 9, CANA—Grenada's prime minister, Herbert Blaize, has welcomed the decisive win by Vice-President George Bush in the U.S. presidential election.

Blaize told CANA that he was backing Bush, the Republican Party's candidate in the race since he knew him personally and not his rival Michael Dukakis, the governor of Massachusetts.

He described Bush, who visited Grenada in 1985 after a U.S.-led invasion to topple a leftist junta, as a "friend" of this small East Caribbean island. "I think he knows our situation. He is a friend and it is always good to have your friends around," Blaize said.

The Grenadian leader also indicated that his government was looking forward to having continued cooperation with the U.S. under Bush since he has "the interest of Grenada at heart." "I have talked with him personally and I know his opinion and views about Grenada," he added.

Blaize stated that he would adopt a wait and see attitude as regards whether Bush would continue the policies of his predecessor Ronald Reagan or develop his own. He, however, said that the president-elect should be given an opportunity "to show his own mettle." "I believe he has potential," Blaize remarked.

The Grenadian leader on Wednesday sent a congratulatory message to Bush inviting him to visit the island.

Blaize said:

Congratulations on your resounding victory. The Government and people of Grenada join in celebrating with you and your family. We look forward to further strengthening the bonds of friendship between our two nations for our mutual benefits.

"I take this opportunity to reiterate my invitation that you visit with us for a period of rest and relaxation from the Campaign now completed. Grenada joins in wishing you a successful and outstanding term of office.

Opposition Leader Urges Bush To Review CBI
FL1011031588 Bridgetown CANA in English
2335 GMT 9 Nov 88

[Text] St George's, Grenada, Nov 9, CANA—Grenada's opposition leader George Brizan wants the new U.S. President-elect George Bush to take a "fresh look" at the operations in the region of the Washington-sponsored Caribbean Basin Initiative (CBI).

He said the new U.S. leader should look at the performance of the CBI in general but more specifically as it relates to the Organisation of Eastern Caribbean States (OECS).

Bush was elected as the 41st president of the United States Tuesday, overwhelming Democrat Michael Dukakis.

Brizan said the members of the sub-regional grouping have not been able to capitalise on the U.S. market under the CBI because several of the things which should be in place are lacking. "That is one area that I think that Caribbean governments and the OECS governments should press," said Brizan, the leader of the National Democratic Congress (NDC).

Brizan did not favour Bush having any mini-summit with Caribbean leaders on the CBI but rather a "comprehensive briefing" for him on the issue since he said the information was already there on why the CBI is not working properly. He argued that the CBI was designed principally for Central American states and not the Caribbean. "So I think that in reassessing the CBI, I am not saying that you place less emphasis on the Central American states but you increase the emphasis on the Caribbean," he remarked.

Brizan also urged Caribbean leaders to press the Bush administration for more concessionary financing for infrastructure work. This is necessary, he said, in light of the fact that several Caribbean states will shortly be cut off from concessionary funds from the soft-window facility of the World Bank.

Brizan predicted that Bush would push for a policy of closer East-West relations given the present favourable world conditions. He, however, sees the Bush administration is facing two stormy issues particularly in Southern Africa and in the Middle East. Brizan said that he hoped the new president would take a "firm stand" on the situation in South Africa where blacks are waging a liberation war against the white-minority government.

In addition, the Grenada opposition leader sees Bush becoming engaged in "fresh and somewhat new initiatives" to bring some peace in the Middle East. Brizan said that he expected Bush to continue with some of the policies of his predecessor Ronald Reagan whom he served for two terms as vice-president. He, however, said that it was more than likely that Bush would make a "direct effort" to develop his own style of management.

Grenada

Labor Party Examining Member's Discipline
FL0911171288 Bridgetown CANA in English
2213 GMT 7 Nov 88

[Text] St George's, Grenada, Nov 7, CANA—U.S.-based Grenadian barrister Jerry Seales, who was once being promoted as a potential deputy prime minister and minister of foreign affairs should an Eric Gairy regime return to power here, has apparently run into problems with his party.

According to former Prime Minister Gairy—who 4 months ago was endorsing Seales—many supporters of his Grenada United Labour Party (GULP) are expressing concern about the level of discipline being demonstrated by the 26-year-old American-trained lawyer. He told CANA that these supporters are claiming that Seales lacked the level of discipline required within the labour party.

Gairy declined to comment on whether Seales could land any top posts on the labour party executive at the GULP convention planned for next month.

Gairy's own party paper, the GRENADA GUARDIAN, had often referred to Seales as the candidate for the St Georges north-west constituency held by Public Utilities Minister Dr Keith Mitchell.

Seales, an ex-serviceman in the U.S. Army, is in the U.S. on 6 months leave from the Labour Party and is reportedly writing a book.

The GULP is preparing for general elections, constitutionally due by March 1990.

Haiti

Political Party States Position on Draft Decree
FL0911175488 Port-au-Prince Radio Metropole
in French 1145 GMT 8 Nov 88

[Excerpts] The Haitian political class rejects the Haitian Government's draft decree on the creation of the CEDA, the Electoral College of Haiti. [passage omitted]

The PAIN, which is the National Agricultural and Industrial Party, after meticulously analyzing the draft decree creating the CEDA, concludes in a letter sent to the president of the military government yesterday that it is unconstitutional.

Only the decree-laws of 13 May 1987 and 3 July 1987 conform to the Constitution of 1987, under which the Haitian people want to go to national elections, stresses the PAIN letter, which is signed by PAIN President Louis Dejoie II.

The PAIN feels that the arguments put forth by General Avril in his message of last 21 October—arguments that were the inspiration for the draft decree-law creating the CEDA—are completely contrary to the spirit of the Constitution and to the positions taken by the political parties and civic groups.

Consequently, the PAIN wishes to recall the position of principle it took jointly with the PDCH [Haitian Christian Democratic Party], which stipulated three fundamental conditions that would lead the Haitian people to participate freely in democratic elections:

First, that there be a complete return to the Constitution of 1987, with the exception of the dispositions contrary to the nature of the de facto provisional government.

Second, that the Provisional Electoral Council, the CEP, be reconstituted in conformity with the Constitution of 1987.

Third, that the paramilitary forces be disarmed and the perpetrators of the crimes committed on 29 November 1987 and 11 September 1988 be brought to trial.

The PAIN thus deplores the fact that the military government did not take into account the advice given and suggestions made by the different political parties and groups with a view to guaranteeing the climate of peace necessary for national elections to take place in the very near future.

Finally, the PAIN places itself at the service of the military government with a view to adopting, jointly, any measures that may unblock the serious crisis that is shaking the Haitian nation. [passage omitted]

Union Leader Interviewed; Backs General Strike
*FL0911184188 Port-au-Prince Radio Nationale
in Creole 1200 GMT 9 Nov 88*

[Excerpts] [Passage omitted] Twenty-two workers who are members of Acierie d'Haiti's union committee discovered dismissal notices for themselves posted on the plant's door today, Tuesday, during the 2d day of the strike the union called in an attempt to get the employer to satisfy its demands.

The crisis worsened today. Soldiers clad in olive green occupied the plant courtyard. The workers continued the strike but had to stay out in the street. However, Acierie d'Haiti is functioning because management employed jobbeurs [temporary employees hired to do a specific job] this morning, according to a worker we interviewed. [passage omitted]

The workers also protested statements made in the press by the plant's management regarding the care that workers received. Management said it provides food, insurance, and recreation for all its workers.

[Begin recording of unidentified speaker] [Passage omitted] Bigio pays 1 and 1/2 gourdes for us, and we pay the other 1 and 1/2 gourdes for food. Bigio does not pay for our food. We pay for our food every 15 days. We pay for our insurance every month. He said that when someone dies, he (?pays) for us. This is not true. We formed a cooperative. When someone dies, if the cooperative's coffers are empty, the employer (?advances) \$1,000, but [words indistinct] each worker in order to pay back the money, to put it back into the cooperative's coffers. [end recording]

We remind listeners that management had already fired 10 unionized workers last weekend.

The union, which is affiliated with the Autonomous Organization of Haitian Workers, CATH, had called for a 2-day warning strike to protest the reinstatement of the head of the personnel department, (Eddie Lefevre); to demand a wage increase; to demand that soldiers stop coming and scaring people inside the plant; to demand that an employee who is allegedly a detective [attache] be fired; and to demand that the employer take back the 10 fired workers.

In a press release yesterday afternoon, Acierie d'Haiti's management announced that the striking workers had failed to respect the law and that it could consequently take any and all measures authorized by law.

However, for their part the workers say they will not go back to work today. They also expressed their solidarity with their fellow workers who have been fired, and said that they are ready to quit Acierie d'Haiti as long as the employer indemnifies these workers.

The 22 dismissals bring to 32 the number of workers fired during this conflict. CATH is protesting the firing of these workers, which it finds arbitrary, and asks all workers in the capital to be united with the workers of Acierie d'Haiti so that they can respond appropriately to this massive dismissal, which is illegal.

CATH says that it is (?at present holding discussions) with other organizations to see if they can launch a general strike to protest all acts of violating human rights committed in Haiti. Listen to CATH Executive Secretary General Jean Auguste Mesyeux on this matter.

[Begin recording] [Mesyeux] Well, given the way the situation looks, we cannot just stand by and watch. [passage omitted] We will not put up with this situation, because the workers have a right to form unions and to demand their rights. [passage omitted]

There was an identical situation in 1986, at exactly the same time, when General Namphy saw that he was in a rough situation with the Haitian people making demands left and right. What did he do? He came up with an electoral calendar. General Avril's military government is doing the same thing now. The current situation is an identical situation, where in order to calm the people's tension and since what the people are asking of him at present... [changes thought] All the demands are still unmet, and he has not done anything about them as yet. The situation is getting worse every day. So what does he do? He comes up with an electoral decree to calm spirits.

We think this situation is identical—with the section chiefs beating their chests in the provinces and declaring: After us comes more of us.

People in the provinces are crying out for help daily, and no one says anything on their behalf. They are obliged to leave their villages and come increase the population in this capital—this capital of trash, of poverty, and of mud. Thus, we feel we cannot just stand by and watch; we are going to meet with the unions in the coming days. We are also going to meet with all other organizations that are in the people's camp. We will say what, definitively, we are going to do.

Meanwhile, we say to the Haitian people: Remain mobilized, remain mobilized. Now it is a Gonaives-Saint-Marc match that is going to be played.

[Reporter] Since you mentioned the concerted action that you are going to take, Mesyeux, do you think that you have the mobilization capacity to organize a general strike, given the current situation?

[Mesyeux] Are we capable? We already have many human resources in place. Also, there are other popular organizations, organizations that are in the people's camp. A general strike does not concern only CATH, because we are not going to focus only on workers demands. There are other popular demands that must be heard too. Thus, I think it is something that concerns the entire country, both workers and peasants.

[Reporter] So when you speak of a general strike, this means a nationwide strike. In your opinion, won't what already happened in 1986, as you mentioned, have an effect—either positive or negative—on the way the population will respond to this strike, if you call one?

[Mesyeux] I think there will be a positive response from the people, rather than a negative one; the people's demands have to this day never been attended to. The government has disappointed the people; it has not done

what the people wanted. At present, everyone is disappointed. We have already sounded out the provinces. We recently visited many provinces. I think everyone is now waiting. As long as what is done is not an individual thing, as long as it is a collective thing, I think the entire Haitian people will participate in it. [end recording]

Workers in Saint-Marc Begin Work Stoppage

FL0911210188 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Nov 88

[Excerpts] In Saint-Marc, the workers working on the electricity project in Deluge began a work stoppage yesterday, demanding a wage increase. However, the engineer responsible for the project says there is no way to satisfy their demands. [passage omitted]

Our correspondent in Saint-Marc is going to tell us about this.

[Begin recording] [Correspondent] There has been a project in the Deluge area since April 1987. [passage omitted] The objective of this project, which is being financed by the FRG and for which EDH [Electricite d'Haiti, the national electric company] is responsible, is to provide more electricity for the Gonaives [word indistinct] Saint-Marc region and a distance of 24 kilometers between Saint-Marc and Montrouis.

Well, the project's workers stopped work yesterday morning, Tuesday, 8 November, demanding a wage increase and better working conditions. However, the engineer in charge of the project, Mr Robert Jean, says the workers demands cannot be met.

[Jean] [Passage omitted] I will tell you that I myself, personally, will never be able to satisfy them, because Haiti put out a decree still in effect today that says that a man working in Port-au-Prince gets paid 15 gourdes per day as minimum wage for unskilled labor. In the provinces, the same work is remunerated with 13 gourdes. Since EDH is an autonomous national institution, and it is not seeking to make a profit, it pays \$3 (?per day per person) nationwide, (?but)...[incomplete sentence as heard]

[Correspondent] Thus, the engineer says it is not possible to increase the workers' wages. However, the workers have stopped work, and say that until their wages are increased and they are given better working conditions, they will not work. [passage omitted] [end recording]

KID Files Complaint Against Police

FL0911212488 Port-au-Prince Radio Nationale in Creole 1400 GMT 9 Nov 88

[Text] The Confederation for Democratic Unity [KID] and (Mercela Simeon), wife of (Jean Evens Simeon), have filed a complaint before the Department of the Public Prosecutor of the civil court of Port-au-Prince

against the Port-au-Prince Police Department because it is keeping (Jean Evens Simeon) in prison illegally. KID says that (Simeon) is a member of the KID's people's rights committee.

(Simeon) was arrested without a warrant and without his having done anything on Wednesday, 2 November 1988, near his home, in the Delmas 4 area. KID asks the pertinent authorities at the Department of the Public Prosecutor of the civil court of Port-au-Prince to try to find out from the Port-au-Prince Police Department why they have been holding (Simeon) in jail for the past 7 days without having sent him before a magistrate.

The KID note is signed by (Jean Woel Brice), (Louis Emilio Passe), and Mrs (Mercela Simeon).

PPNH Asks Avril Government To Resign

FL0911211888 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 9 Nov 88

[Text] The number of political parties demanding that the government resign is increasing. Bernard Sansaricq's National People's Party of Haiti [PPNH] asks, in a communique issued on 1 November in Miami, that the Avril government resign. He also asks that the Avril government be replaced by a provisional government of public salvation.

The PPNH says the current government is doing everything it can to ensure the continuity of Duvalierism—that it is just like the Duvalier government. Among other things, the PPNH asks that the macoutes be disarmed and that the criminals denounced by the public hue and cry be arrested and brought to trial. It also asks that the constitution of 1987 be reinstated and that the public administration be fully rid of macoutes.

Jamaica

Prime Minister Seaga Congratulates Bush

FL0911171188 Bridgetown CANA in English 1542 GMT 7 Nov 88

[Text] Kingston, Jamaica, Nov 9, CANA—Jamaica's Prime Minister Edward Seaga on Wednesday congratulated U.S. President-elect George Bush and called for the same strong relations between Washington and Kingston that characterised the Reagan years.

Bush, Ronald Reagan's vice president, won a landslide on Tuesday's presidential election, defeating Democrat Michael Dukakis, to ensure the White House remains in Republican hands when Reagan leaves office in January.

"Under your presidency, Jamaica confidently looks forward to a continuation of the friendship and close cooperation which have traditionally characterised relations between our countries," Seaga said in his message.

The Kingston/Washington relations had been "particularly strongly cemented over the past few years," Seaga said, with the development of "many new areas of beneficial inter-relationship."

Seaga was elected Jamaican prime minister less than a month before Reagan won the U.S. presidency in 1980 and their common conservative ideological position provided the first bond for warm relations.

The Reagan administration pumped large sums of aid into Jamaica with the aim, according to the President, of making Jamaica the show-piece for free enterprise development after the economic decline under the socialist Michael Manley administration here in the 1970's.

Seaga, trailing Manley's Peoples National Party (PNP) in opinion polls here, must call elections by next April and among the subtle campaign themes here is greater ability to gain foreign aid for Jamaica, especially with the rebuilding to be done after the massive hurricane damage in September.

The PNP, which in recent years has worked at a fence-mending in Washington after the quarrels it had in the 1970's because of Jamaica's close relations with communist Cuba and other socialist countries, has not yet officially responded to the Bush victory.

Seaga Signs Loan Agreement With Japan

FL0911173288 Bridgetown CANA in English 1920 GMT 7 Nov 88

[Text] Kingston, Jamaica, Nov 7, CANA—Jamaica and Japan have finalised agreement for a Japanese loan of U.S. 72.2 million dollars to help finance upgrading of the telephone services here.

The prime minister of finance, Edward Seaga, last week signed documents of the loan from Japan Overseas Economic Cooperation Fund (OECF). Seaga also last week signed an agreement for a U.S. 37.6 million dollar loan to finance a water project in the north coast tourist resort of Montego Bay.

Both loans are for 29 years with a 10 year moratorium on principal. Interest is at an average 3.5 percent a year on the drawn principal.

Jamaica is carrying an extensive expansion and modernisation of its telephone system under a project running into the 1990's.

Gap Narrowing Between Competing Parties

FL0911201388 Bridgetown CANA in English 1934 GMT 7 Nov 88

[Excerpt] Kingston, Jamaica, Nov 7, CANA—A new poll here says Prime Minister Edward Seaga's governing Jamaica Labour Party (JLP) is cutting the voter support lead of its main opponent, the Peoples National Party (PNP).

The survey by Don Anderson, the head of Market Research Services Limited, gave the JLP 47 per cent support among people likely to vote in an election here, six points adrift of Michael Manley's PNP. The Anderson poll was conducted between October 29 and 31 and has sample error of plus or minus three percent.

Anderson's finding suggests that the JLP has cut the PNP lead by two per cent compared to a four per cent reduction in his previous survey in September over the July standings.

However, another poll by University of the West Indies sociologist professor Carl Stone published about the time Anderson's was being completed, gave the PNP a 10 per cent lead over the JLP. The PNP's support was 55 per cent against 45 per cent for the JLP. That Stone finding reflected a sharp comeback by Manley's party in a survey conducted about a month after the September 12 devastation of Hurricane Gilbert, compared to the immediate aftermath of the storm.

Anderson, whose previous polls were done for a consulting firm headed by former JLP chairman and newspaper editor, Hector Wynter, did not provide an analysis of the continued narrowing of the gap between the parties in his poll or to suggest reasons for the four-point difference between his findings and Stone's. [passage omitted]

St Lucia

Delegation To Assess Venezuelan Housing
FL0911173388 Bridgetown CANA in English
1748 GMT 7 Nov 88

[Text] Castries, St Lucia, Nov 7, CANA—St Lucia will assess low-cost housing projects available in Venezuela during a 4-day visit to the South American country this week by a delegation headed by Housing Minister Romanus Lansiquot.

During the visit starting Monday, the mission will examine models of low-cost housing, meet officials involved in their construction, and review technical and administrative arrangements for funding low-cost housing projects in St Lucia.

"This visit to Venezuela is timely because the national insurance scheme is now taking a fresh look at ways and means of getting involved in the development of low-cost housing," Lansiquot said prior to his departure.

"More so, the ministry...would like to explore the possibility of introducing a number of such projects for the country," he added.

The visit is at the invitation of the Government of Venezuela. The minister is being accompanied by the director of the national insurance scheme, Francis Compton, and assistant secretary in the Ministry of Health, John Husbands.

Trinidad and Tobago

Junior Minister To Take Over Public Service
FL0911202788 Bridgetown CANA in English
1917 GMT 8 Nov 88

[Text] Port-of-Spain, Trinidad, Nov 8, CANA—Trinidad and Tobago's Prime Minister A.N.R. Robinson has transferred a junior minister to his office to deal specifically with the public service, the government announced Tuesday. A brief statement said that former junior legal affairs minister, Anthony Smart, was moved on Monday into the Office of the Prime Minister.

Smart, who formerly served as junior minister under attorney general and legal affairs minister, Selwyn Richardson, will be in charge of the public service portfolio, overseeing 65,000 public servants.

The statement did not confirm reports that diplomat and senior civil servant, Reginald Dumas, who is reportedly being brought home from his post as ambassador to Washington, will be placed as head of the public service, replacing the retiring Eugenio Moore.

Smart's transfer comes at a time when government seeks to restructure and reduce its large public service.

The government statement said that Smart, an attorney, would continue to act for Richardson, as attorney general until he returns to the country in a week's time.

USSR Seeking Increased Trade Relations

PA0911160188 Mexico City *EL NACIONAL* in Spanish
5 Nov 88 p 1

[Text] Mexico's trade with socialist and Latin American countries has practically come to a standstill. Rostislav Sergeyev, Soviet Ambassador to Mexico, said that the USSR is particularly interested in exploiting Mexico's great trade potential. In addition, Venezuelan Ambassador German Carrera Damas stated that Caracas is equally interested in sponsoring the creation of binational enterprises with Mexican businessmen.

The two diplomats participated in a meeting for the promotion of trade, which was organized by the Mexican Businessmen's Council for International Affairs (CEMAI) and included the participation of other ambassadors and officials from several diplomatic missions.

Referring to the possibility that Mexico may increase its trade with socialist countries, Sergeyev asked if the commercial trade opportunity created by this administration would last. CEMAI President Enrique Madero Bracho responded by saying that, in fact, this trade opportunity will remain open throughout the upcoming and subsequent administrations. He added that many Mexican import and export trade gaps must be filled.

Madero Bracho explained that our country has not substantially increased its trade levels with the rest of Latin America because our trade balance with the entire region has been favorable, "and we must buy more of their products to sell them more of our products."

Referring to Mexico's trade with Eastern Europe, Madero Bracho admitted that trade relations must be strengthened but added that during a recent CEMAI meeting in Havana—when President De la Madrid visited Cuba—it was agreed that Cuba would serve as liaison with the Comecon so that Mexico can increase its exports to Comecon-member countries. In fact, Madero Bracho added, Mexico is already working with the USSR through a binational committee whose work is expected to provide results soon.

The CEMAI president stated that another issue that precludes trade with Latin American countries, above all those in South America, is the high cost of maritime transportation and the multiple noncustoms barriers imposed by those countries.

The Venezuelan ambassador said that Latin America must overcome its financial and commercial limitations, so it must become more fully integrated regionally to increase its participation in world commerce to avoid becoming "an annex or appendage" of some hegemonic blocs.

Carrera Damas said: Our countries cannot possibly conduct trade "on equal terms" due to the industrialized groups' hegemony. He insisted on the need to negotiate and obtain preferential treatment.

He also referred to agreements that resulted from a recent meeting of seven Latin American presidents in Uruguay, pointing out that the area must attain an autonomous destiny. He issued an appeal to the businessmen in those countries, urging them and their respective governments to play a fundamental role in the region's integration.

Report Details Administration's Achievements

PA0911192088 Mexico City *Red Nacional* 13
Imevision Television in Spanish 1300 GMT 8 Nov 88

[Report by Claudio Guzman]

[Text] Over the past 6 years, the Mexican Government has applied a strategy basically aimed at achieving national renewal. The results of this strategy will be evident over the medium- and long-term. Nevertheless, this strategy has already achieved fundamental advances. According to a report issued by the Mexican Presidency to Congress, the results are satisfactory.

The document makes a detailed analysis of the country's economic situation as of the end of 1982, when it became evident that the economic development model that had existed for several decades was worn out. The report adds that from the beginning of this administration, the Mexican economy confronted a crisis that was unprecedented in the country's modern history. This crisis was reflected in the crushing burden of foreign debt, capital flight, dollarization of the economy, weakened public finances, recurring deficits in external accounts, foreign exchange instability, and excessive inflation. There were deep structural imbalances that demanded a revision of the development model and the adoption of a national renewal strategy.

This was done through the 1983-1988 national development plan. Four essential objectives were set: 1. Conserve and strengthen the democratic institutions; 2. Overcome the crisis; 3. Regain the capacity to grow; and 4. Begin the qualitative changes needed by the country's economic, political, and social structures. In the political area, a broad constitutional and legislative reform was undertaken to reaffirm the state's leadership role, promote decentralization, reorganize public enterprises, and consolidate overall democratization. A new federal electoral code was drawn up. The broadest and most in-depth legal reform in the administration of justice in the few past decades took place in this administration.

Mexico's foreign policy was aimed at preserving national sovereignty and at strengthening its political and economic independence, always stressing our people's desire for peace.

Regarding the struggle against the crisis, the strategy contained in the national development plan brought about positive results. Perseverance and the appropriate application of the strategy permitted the country to move from a situation in which uncertainty and distrust prevailed, to another in which the minimum balances have been reestablished. The economy has been strengthened and is now in better condition to face the challenges of the present and to begin a new, more just, and lasting phase of development.

The report details the way in which measures were applied to achieve a change in the country's economic structures. Mexico now has firmer bases to sustain a more favorable functioning of the economy in the future. Inflation was reduced with the concerted participation of all productive economic sectors. Public finances were reorganized. The government's primary accounts went from a negative balance at the end of 1982 to a positive balance in 1987. Domestic savings increased. The balance of payments situation was strengthened with a flexible and realistic exchange policy and with a trade policy that tends to eliminate the bias against exporting. Nonpetroleum exports were promoted. The foreign debt was refinanced by negotiating with firmness, dignity, and responsibility. Through these efforts, the administration was able to begin making adjustments in Mexico's economic structure.

The report also details the way financial instability appeared in the last months of 1987 and accelerated inflation. This led to the establishment of the economic solidarity pact. The results obtained for the first half of 1988 are encouraging since economic activity increased and inflation declined sharply.

Over the past 6 years, the government has gotten to the root of the problems that were planted in the past. It not only faced the worst onslaughts of an unprecedented economic crisis, but it also resolutely and efficiently faced disasters and external problems.

World Bank Affiliate Grants \$60-Million Credit
PA0811225588 Mexico City *THE NEWS* in English
5 Nov 88 p 1

[Summary] Banco Serfin Spokesman Agustin Gutierrez Canet stated to *THE NEWS* that the International Finance Corporation (IFC)—a World Bank affiliate—has extended a \$60-million line of credit for the modernization of small- and medium-sized Mexican businesses and that Banco Serfin is administering the fund. Gutierrez Canet said the funds are principally earmarked for export-oriented activities and would be doled out as long-term, "soft" loans, which implies preferential interest rates. He added that the IFC line of credit is backed by U.S. Government funds and represents U.S. support for the restructuring efforts by Mexico's private sector. The agreement was signed in

Mexico City on 20 October and the Serfin spokesman said that there is a possibility the line of credit will be refurbished after the initial \$60 million runs out.

Pemex Lowers Istmo Oil Prices in Oct
PA0911000988 Mexico City *EL DIA* in Spanish
5 Nov 88 p 1

[Text] Pemex yesterday reported that the Istmo oil price per barrel dropped \$1.20 in its October sales to Asia.

Given the drop in crude oil prices in the international markets and seeking to make Mexican oil sold in the Far East more competitive, Pemex established the price of its Istmo oil at \$10.60 per barrel for that region. The Istmo crude oil had sold for \$11.80 per barrel in September.

Referring to the Maya crude oil price, which sold for \$7.90 per barrel in October, Pemex did not establish a price because no heavy Maya oil was exported to that region in September.

The information released by Pemex states that the situation has been caused by an oil production increase by OPEC member nations, particularly those located in the Persian Gulf.

Pemex adds that Mexico currently has a contract to supply 180,000 barrels of crude oil per day to Japan, and its sales to the Far East represent 13 percent of overall Mexican exports.

*** FDR Representative at Conference on Chile**
32480012 Mexico City *EXCELSIOR* (*STATES* section)
in Spanish 12 Sep 88 pp 1, 3

[Text] Guadalajara, Jalisco, 11 September—Having sustained a cruel battle for over 8 years (resulting in 100,000 deaths), the Salvadoran people have defeated the oligarchy and the Army several times, but have not achieved victory, because the power structure in that country has been hegemonized by the North American imperialists.

The foregoing statement was made by Remi Roldan, a representative of that nation's Revolutionary Democratic Front [FDR], after making an analogy between the suffering of the Central American countries and their effort to liberate themselves, achieve their own dignity, and reaffirm their sovereignty so as to avoid being neocolonies.

During his participation in the International Conference For Restitution of Human and Civil Rights in Chile, the subject of the interview stressed that "the class struggle, the confrontation of those dominated against the dominators, and the revolution of liberation must continue."

He claimed that the peoples of Central and Latin America have been forced to take up rifles to retrieve what belongs to them because they want to be free and

independent, and they desire to have bread, food, housing, health, and education. He added that, although the political climate of El Salvador has become more open, it has proven impossible to integrate because of U.S. interventionism.

The official added: "Nevertheless, only the insurgence of political groups and movements in the interior, and democratic convergence, can legitimize the process; however, we must pay a high price, because we have to use all instruments and resort to all types of struggle in order to ransom the country and stop this blood bath that has cost so many lives."

War was the last resort left to the Salvadoran people to create conditions which are favorable to them. "The conflict will continue but, using the political instrument and armed force, we must restore sovereignty and create a true democracy." He added that an economy must be created keeping the people mind rather than those who achieve gains, price increases, and profits from capital, but at the cost of the people's sacrifices and hunger.

"The United States seeks to achieve hegemony in the Caribbean and Central America." He explained that Central America will struggle against the foreign imperialists, and that "the U.S. Marines will never succeed in setting foot in El Salvador."

Polling Places Open Late in Elections

*FL1011030388 Mexico City NOTIMEX in Spanish
0102 GMT 10 Nov 88*

[Text] Monterrey, Mexico, 9 Nov (NOTIMEX)—Jorge Trevino Martinez, governor of the northern State of Nuevo Leon, has toured the state electoral system's installations. He assured that any technical irregularity in the development of the electoral process will be solved as soon as possible and that peace and calm will be maintained.

The state chief executive made these statements in response to complaints of people who said some of the 650 polling places located in the 51 municipalities in Nuevo Leon had not opened on time.

Oliverio Tijerina, chairman of the municipal electoral commission in Monterrey, admitted that 30 polling places in the state had opened a few hours late because party representatives had not shown up, but once they did arrive voters were able to vote.

The electoral information system, which opened at the Government Palace since 0600, has 60 telephone lines and 22 long-range radios for immediate communication with the 51 municipalities in the state. Jesus Arias Beltran, government director [title as received], said the center will remain open until all election papers have been handed in and people's complaints are dealt with.

Tabasco State Elections Conclude, Large Turnout

*PA1011035188 Mexico City XHTV Television
in Spanish 0200 GMT 10 Nov 88*

[Report by Juan Manuel Renteria from Villahermosa, Tabasco—live relay]

[Text] Local elections were held today in Tabasco. At the onset of the elections, the Army was committed to ensuring calm.

Voting ended in most of Tabasco's 1,062 polling places without any reports of violence. A military report issued by General Francisco Fernandez Solis, commander of the 30th Zone, reveals no irregularities. More than 2,000 Army troops preserved order. Representatives of the contending political parties agreed that there was a large voter turnout.

Three candidates were vying for the Tabasco governorship: Salvador Neme Castillo for the PRI; Andres Manuel Lopez Obrador for the Cardenist Front for National Reconstruction Party, Popular Socialist Party, PPS, Mexican Socialist Party, PMS, and Authentic Party of the Mexican Revolution, PARM; and Miguel Castillo Perez for the Mexican Democratic Party, PDM.

Besides the gubernatorial race, 17 deputies based on majority vote, 8 by proportional representation, and 17 municipal presidents will be elected. So far, 30 opposition candidates have given up their candidacies.

According to Fernando del Villar, PRI general delegate in Tabasco, there is full confidence in an absolute PRI victory.

Irregularities Reported

*PA1011050888 Paris AFP in Spanish
0432 GMT 10 Nov 88*

[Text] Villahermosa, Mexico, 9 Nov (AFP)—Hours before vote counting ended, the left-wing opposition today denounced several irregularities in the election for governor in Tabasco State, southeastern Mexico.

The Mexican opposition believes this election is a test of the PRI's willingness to open up, the party which has been in power for the past 60 years.

After the voting ended, a spokesman for the National Democratic Front (FDN, leftist), the main opposition party, pointed out irregularities in half a dozen places.

The voting was guarded by military patrols.

The final results of the election, in which Salvador Neme Castillo (PRI) ran against Andres Manuel Lopez Obrador (FDN), will be announced next Sunday, as mandated by the Electoral Code.

The 680,000 voters must also elect mayors and the Chamber of Deputies of the Mexican state.

The election is taking place when Carlos Salinas (PRI) is preparing to assume the Presidency of Mexico, which the opposition believes was obtained through electoral fraud, on 1 December.

Leftists Peacefully Seize 4 Embassies
PA1011015388 Madrid EFE in Spanish
0130 GMT 10 Nov 88

[Text] Mexico City, 9 Nov (EFE)—Several groups of people belonging to a Mexican leftist organization today peacefully took over the Belgian, Canadian, Norwegian, and Portuguese Embassies in Mexico City, sources close to the organization reported.

A spokesman for the "Emiliano Zapata Eastern Democratic Front of Mexico" [Frente Democratico Oriental de Mexico Emiliano Zapata] announced to reporters outside the Canadian Embassy that the decision [to occupy the embassies] was done to protest the fact that several FDOMEZ members were evicted Sunday morning from the Chamber of Deputies where they were staging a sit-in.

He pointed out that the sit-in was held to demand an investigation of the murder of several peasants in Hidalgo and Veracruz States.

The spokesman said the four embassies will be occupied until the Miguel de la Madrid government solves FDOMEX problems.

Three Vacated

PA1011045788 Madrid EFE in Spanish
0412 GMT 10 Nov 88

[Text] Mexico City, 9 Nov (EFE)—The embassies of Canada, Norway, and Portugal in Mexico City were vacated this evening by several members of a leftist Mexican organization that had seized them and the Belgian Embassy—which is still being occupied.

A spokesman of the "Emiliano Zapata Eastern Democratic Front" (FDOMEZ) today reported that the measure was taken to protest the fact that several members of the organization were evicted early Sunday morning from the Chamber of Deputies, where they had been staging a sit-in for several days.

The spokesman recalled that the protest was carried out to ask that the murder of several peasants in Hidalgo and Veracruz states be investigated.

Felipe Martinez Soriano, who was rector of the Autonomous University of Oaxaca several years ago, is leader of FDOMEZ.

ANN Office Receives Threatening Phone Calls
PA0911003488 Mexico City EL DIA in Spanish
6 Nov 88 pp 13

[Text] Mexico City, 5 Nov (ANN)—It was reported today that the ANN correspondent's office in Mexico has received threatening telephone calls because its journalists interviewed a former counterrevolutionary leader who fled from Honduras and traveled to Nicaragua yesterday.

The voice of a female who, of course, did not identify herself told the ANN reporters that reprisals would be taken against both ANN and the contra deserter, who at the time was still in asylum in an embassy in this capital.

The former counterrevolutionary leader is Horacio Arce, alias Commander Mercenario. After spending over 8 years in the counterrevolutionary ranks, he sought asylum in the Mexican Embassy in Tegucigalpa 1-month ago. He traveled to Mexico with a safe-conduct 3-days ago and accepted the amnesty decreed by the Sandinist government.

In the telephone calls to ANN in Mexico, the female voice said insistently: "We can kill that traitor and harm you people at ANN." She did not specify how this would be done.

The calls were made yesterday morning. Horacio Arce eventually left for Nicaragua on a regular Aeronica flight.

Before leaving for Managua, Arce told reporters the counterrevolutionary effort "is finished; it is an empty war." He said he was returning to his country to work "to help resolve the enormous difficulties the fatherland is currently facing."

Police Arrest Cattleman Linked to Cocaine Cache
PA0811124688 Mexico City Red Nacional 13
Imevision Television in Spanish 1955 GMT 7 Nov 88

[Excerpts] After 8 days of investigating, the Federal Judicial police confiscated 5 tons of pure cocaine and arrested Jesus Alfonso Morales Martinez, a cattleman known as El Pocho who is an important link in an international drug trafficking network. El Pocho had been leapfrogging among several cities in Chihuahua State, and had even crossed the border into El Paso, Texas. He was finally arrested in Room 112 of the Nogales Hotel in Ciudad Camargo. He confessed that he had received \$50,000 to set up a landing strip on the San Lorenzo Ranch in El Potrero de la Mula. He was to receive \$2 million later, once he had delivered the merchandise. [passage omitted]

El Pocho informed on the capos of the network and the owners of the 5 tons of cocaine, four U.S. citizens and one South American. They are (Raymond Saul), Benjamin Marco, (John Kistling), Jorge Taylor, and (Lucio Tomba). They asked the Chihuahua cattleman to serve as a springboard for transferring a total of 10 tons of cocaine into the United States.

The 4,822 kg of cocaine confiscated by the Army on Friday, 23 October, was part of a first shipment, which was to be sent to the United States in a DC-4 airplane. [passage omitted]

Costa Rica

Foreign Minister Comments on Bush Victory PA0911203488 San Jose Radio Impacto in Spanish 1830 GMT 9 Nov 88

[Text] Foreign Minister Rodrigo Madrigal Nieto said he hopes that with Bush's election as the new U.S. President there will be an improvement in U.S. -Nicaraguan relations. Madrigal Nieto said he is very happy about the democratic elections recently held in the United States. He said the elections were exemplary because there was a total absence of military influence and because they were a free and pure expression of the people. Let us listen to remarks by the foreign minister, who analyzed various aspects of the elections that he felt tended to favor the Central American region:

[Begin Madrigal Nieto recording] I think Vice President Bush, now President-elect, will continue some basic aspects [words indistinct] negotiations. But I think there will be changes in Mr Reagan's policy. Although Bush has said that he will support the contras, I think there will be strengthening along the path of [words indistinct] negotiations that Nicaragua has been demanding [words indistinct] but it is an outgoing administration which does not have much [words indistinct] those concessions will permit a broader and more positive dialogue. Therefore, as far as Central America is concerned, I think the peace plan, which is somewhat bogged down, will be somewhat revitalized and gain new life. [end recording]

The foreign minister said that within a general framework similar to that of the Reagan administration, Bush will make some important modifications to reopen political negotiations in Central America.

El Salvador

Duarte on U.S. Elections, Guerrillas' Trips PA0911232288 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Nov 88

[Report by Walter Hernandez on statements by President Jose Napoleon Duarte 'this morning;' place not given]

[Text] This morning, President Jose Napoleon Duarte said the result of yesterday's U.S. presidential election, in which Republican George Bush emerged as the undisputed winner, came as no surprise.

The president repeated to newsmen that whomever the new U.S. President is, the Salvadoran Government needs economic, political, and social aid from both major U.S. parties to implement its policy.

President Duarte said he is maintaining a neutral position regarding the [word indistinct] of Republicans and Democrats with the sole condition that the two parties support his policies because, as president, he has never expressed support for either of the major U.S. parties.

[Begin Duarte recording] I have insisted on telling Reagan I need help, not only political, but also economic and social, from the two U.S. parties, namely, the Democrats and Republicans, to implement my policy.

Therefore, I have maintained a [words indistinct] that is, a balanced position toward the Republicans and Democrats. I have implemented my own policy; I have support for my own policy. I have never meddled with U.S. policy because they govern their country and I govern mine.

I have presented El Salvador's case and stated what I need for El Salvador, this is the policy [words indistinct] a representative present when I expressed my viewpoints.

This does not mean I am an enemy of the United States or anti-U.S. I am not anti-anything, neither anti-U.S. nor anticommunist because I believe one must advocate positive and not negative positions.

Being anticommunist makes one lose perspective on social [word indistinct] issues in the country; being anti-U.S. makes one lose sight of what the U.S. people and their democracy stand for.

I am not against anybody; someone asked me why I do not break off relations with Nicaragua if (?they) are helping the Communists. I said no, because relations with Nicaragua are important [words indistinct]. [end recording]

President Duarte also commented on the recent tour by two FMLN commanders to several South American countries. Duarte said Joaquin Villalobos and Leonel Gonzalez were forced to travel abroad because the participation of Dr Ungo and Dr Zamora in the Salvadoran electoral process left the insurgency with no contacts abroad.

[Begin Duarte recording] They had never been abroad before to show themselves to the world. In the past their ambassadors, namely Zamora, Ungo, and others had done that for them. We used to see Ungo, Zamora, and others in foreign countries and in meetings; we saw them everywhere.

The FDR has taken advantage of the political opportunity I created in El Salvador and the FMLN was forced to make international contacts. The commanders were forced to appoint two persons, who I understand, will replace Ungo and Zamora. They are Guadalupe Martinez and Salvador Samayoa. These two commanders are directly linked to the FMLN. I imagine they will be traveling throughout the world [words indistinct].

It is important that they felt the need to take all these trips to meet presidents and ministers. You have reported it. This shows their weakness abroad, which worries them. They are internationally and militarily weak and that is why they resort to terrorism. They are structurally weak; they are weak among the masses because they have been unable to profit from the political opportunity [words indistinct].

The commanders are weak in general, which worries them, so they are forced to go abroad to seek [word indistinct] and make internal changes also. [end recording]

President Duarte confirmed the Central American summit will take place on 25-26 November in San Salvador following a meeting of area foreign ministers in the next few days. In conclusion, Duarte said he will undergo further chemotherapy treatment here next Tuesday to forestall the terminal cancer that has afflicted him for the past few months.

Radio Venceremos Reports FMLN Activities

'Communique' Issued

PA0911222188 (Clandestine) Radio Venceremos in Spanish to El Salvador 0006 GMT 9 Nov 88

["Communique No 2" issued by the FMLN on 8 November 1988]

[Text] We report to our people—especially to organized workers currently fighting courageously for their rights—that between late 6 November and early 7 November, our forces, supported by artillery units, militias, rebel detachments, and local guerrillas carried out a nationwide political-military operation in the departments of Chalatenango, Morazan, San Miguel, and La Union. As part of this operation our forces carried out a heavy artillery attack on the strategic 5 November Dam and on the Treasury Police barracks in Nueva Concepcion, Chalatenango Department. Also, units attacked a military base and a communications center in Cerro Cacahuatique in Morazan Department. Our guerrilla columns occupied the following villages: Dulce Nombre de Maria, San Fernando, La Reina, and Agua Caliente, all in Chalatenango Department; Carolina and San Antonio del Mosco in San Miguel Department; Osicala, Delicias de Concepcion, San Isidro, Cacaopera, Guatajiagua, and Yamabal in Morazan Department. All of these villages are located south of Torola River. Sappers blew up several electric towers and cut primary transmission lines causing 30 million colones worth of damage to the war economy, according to figures released by CEL [Lempa River Hydroelectric Executive Commission]. Meanwhile militias and local guerrillas seized control of sections of the highway and distributed propaganda in several villages and hamlets. We report that numerous fighters participated in various attacks during this nationwide operation, and emphasize the enemy can do nothing to stop our artillery attacks. Our forces can manufacture thousands of these people's artillery weapons.

The enemy fled in most of the areas we attacked, demonstrating their poor morale, and reacted in a disorderly manner with indiscriminate bombings and machinegun fire. The operation resulted in a total of 35 enemy casualties, including dead and wounded; 12 villages were occupied in the northern part of the country; a barracks was destroyed; the 5 November Dam was sabotaged; an Agriculture and Livestock Ministry office was sabotaged; dozens of electric towers were destroyed causing 30 million colones worth of damage. The FMLN calls on all people to be ready for clashes throughout the country, and urges them to step up the struggle against the dictatorship. The joint command of this nationwide operation salutes the fighters who took part and demonstrated their fighting spirit. The war is being won by the people against hunger and repression. Let us be ready to rebel! Fighting people, guerrilla army, one road to victory! Death to Reagan's policies! Yankees out of El Salvador!

[signed] FMLN [dated] 8 November 1988

Casualties in Morazan

PA0911214088 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 9 November broadcasts approximately 8 minutes of military reports about operations in the northern part of the country.

According to the first report, "At 2300 on 7 November, militia units fought with Morazan Battalion troops in Delicias de Concepcion, Morazan for 2 hours, inflicting two casualties on the soldiers." Two electricity poles were also reportedly blown up on the highway between Chapeltique and Guatajiagua.

At 1700 on 7 November, "A guerrilla unit occupied Las Marias for 3 hours."

The station also reported that "at 1100 on 8 November, an FMLN unit attacked Bracamonte Battalion troops at Hacienda Santa Rita, Suchitoto, Cuscatlan Department, killing one and wounding three."

Army Reports 2 Guerrillas, 1 Soldier Killed

PA0811224388 San Salvador Canal Doce Television in Spanish 0300 GMT 8 Nov 88

[Text] According to the Army, two guerrillas and a soldier have died in fighting during the last few hours. A guerrilla died in a fight with Atonal Battalion in San Fernando, Chalatenango Department, and another rebel died in the 5 November attack on the guards at the hydroelectric plant.

Elsewhere, the Treasury Police reported the death of a policeman in an ambush near Nueva Concepcion. Civilian sources reported FMLN columns and soldiers of Military Detachment No 4 engaged in heavy combat early today in Morazan Department. The sources said

the rebels simultaneously attacked Army positions in Delicias de Concepcion, Osicala, and Yoloaiquin. No casualties have been reported on either side.

Guatemala

Politician on 'Complicity' With Nicaragua

PA0911235088 Guatemala City LA PRENSA LIBRE
in Spanish 8 Nov 88 p 6

[Text] Chiquimula—The current administration's policy of active neutrality is a policy of complicity with the Nicaraguan dictatorship and against the interests of the Nicaraguan people, Jorge Serrano Elias—secretary general of MAS [Solidarity Action Movement]—recently said here during a visit.

[Serrano Elias added that] in the case of Nicaragua, I believe the other Central American countries must exert pressure so there is an authentic democratic process that will make room for the political opposition parties and will let free unionism operate. This process must not allow harassment or imprisonment, as is does now.

I have personally seen how the Nicaraguan people are suffering. They have nothing to eat and nothing to live on; they have a 24,000-percent inflation rate [as published] and nobody can be happy with that, [Serrano Elias said].

We are in no position to be meddling in the domestic affairs of that country, if we do not advocate respect for the human rights of Nicaraguans, who are also Central Americans, Serrano Elias concluded.

Honduras

Officer Charges 'Manipulation' of Refugees

PA1011032688 Panama City ACAN in Spanish
1732 GMT 7 Nov 88

[Text] Tegucigalpa, 7 Nov (ACAN-EFE)—Colonel Abraham Garcia Turcios, coordinator of the National Commission for Refugees in Honduras, charged today that Salvadoran guerrillas and representatives of U.S. religious organizations such as "Going Home" are manipulating Salvadoran refugees in this country.

The military officer said the "Going Home" representatives are communists, adding that they arrive in Honduras just a few days prior to the repatriation of Salvadorans.

Eric Popin, a representative of the religious organization, rejected Garcia Turcios' remarks and said "Going Home" is a very broad based organization that has the support of U.S. congressmen.

Concerning the guerrillas, Garcia Turcios explained that they enter refugee camps, and that last 4 July a rebel was killed by the refugees in Mesa Grande, Ocotepeque Department because he refused to join the rebels in El Salvador. [sentence as received]

Garcia Turcio did not disclose the name of the murdered would-be guerrilla, but he said the representatives of the UN High Commissioner for Refugees have been notified of this case.

Last Sunday, some 800 Salvadoran refugees who had been voluntarily repatriated to their country charged that they had been abused at the camps by the military authorities of Honduras and El Salvador.

The refugees voiced their gratitude for the "generosity of the Honduran people," but rejected the presence of the two countries' military forces in the camps.

They said Garcia Turcios was a "man who had no feelings for the problems of the poor."

The refugees also said that at 1930 (0130 GMT) on 31 October, a plane flew over the refugee camps, frightening the residents.

Honduras currently houses some 45,000 refugees, mostly from El Salvador and Nicaragua, and the rest—about 500—from Guatemala.

The situation with the Salvadoran refugees is becoming more difficult due to constant incursions by Salvadoran guerrillas and the Honduran military, according to charges made by residents of the border area.

Central Bank Directorate Issues Economic Report

PA0811125088 Tegucigalpa LA TRIBUNA
in Spanish 7 Nov 88 p 6

[Summary] The Central Bank Directorate has reported to President Azcona that during the first 6 months of 1988, exports increased by 14 percent as compared to the same period in 1987, when there was a negative trade balance. The Central Bank points out that this growth in exports occurred despite the drop in coffee prices in the international coffee market.

There was a 20-percent increase in industrial production, which means the country's economic activities have not been at a standstill. The report adds that during this period, thousands of jobs were created in the industrial sector.

During the first 6 months of 1988, imports totaled 995.9 million lempiras, which is a 14.2-percent increase compared to imports for the same period in 1987. The report adds that sales taxes collected by the government during the first 6 months of this year totaled 63.7 million lempiras, which is a 13.3-percent increase over last year.

Nicaragua

Contra Leaders on Bush Win, Future Plans

PA0911222088 Madrid EFE in Spanish
2112 GMT 9 Nov 88

[Report by Jeannine Camps]

[Text] Miami, 9 Nov (EFE)—Rebel leaders told EFE today that the Nicaraguan contras can count on the firm support of the next U.S. Administration under George Bush, and that they will present a new peace proposal to the Managua regime this week.

Rebel leader Adolfo Calero read a letter to EFE today which was sent to him by Vice President Bush on 4 October. In the letter, amid reiterated expressions of support, Bush said: "My goal is to continue working together (with the contras) (...) to struggle for aid (...) so as to enable you to build democracy, peace and stability in Nicaragua."

Calero said the letter is proof of Bush's commitment to the contras and to the renewal of military aid, and that the new President, who will take office on 20 January, has shown himself to be a "firm, militant, tenacious man who is true to his principles and his positions."

The new peace proposal that the Nicaraguan Resistance (RN) will present, which contains some "new" aspects, according to Calero, comes several days before another peace proposal that Alfredo Cesar—who is also a member of the RN Directorate and a leader of a new opposition coalition—will present to the Nicaraguan Government on Tuesday.

Cesar, who traveled to Washington today to discuss that offer with members of the Bush administration's transition committee, told EFE that he was unaware of an offer for negotiations made by Nicaraguan President Daniel Ortega.

Cesar said if such negotiations take place, the new U.S. Government "would be thwarting the Nicaraguan people's democratic aspirations."

He added that Ortega had used that tactic with Ronald Reagan's administration and "had gotten nowhere."

Cesar is the main leader of the Democratic Center Coalition [Coalicion de Centro Democratico—CCD], a new group created last month in Costa Rica by several exiled political parties that have ruled out military means as a way of resolving the Nicaraguan conflict.

Cesar says his proposal will meet with the approval of the Central American democracies and the Nicaraguan internal opposition, and will have bipartisan support in the United States. Calero says the same of the RN offer.

Cesar said the new Bush administration, with a Congress in which the Democrats have a majority in both the Senate and the House of Representatives, will fully support Esquipulas II and will rule out "for the moment" all military assistance to the contras.

He said, however, that if all efforts to get Nicaragua to comply with the commitments made in Esquipulas II are exhausted, the Bush administration should provide the contras with all the military support necessary to solve the problem by force.

The RN Directorate will meet with the transition committee before the end of the month to discuss the future U.S. policy toward Nicaragua, Cesar said.

For his part, Calero said Bush had received a "conservative" mandate from the U.S. people. He expressed confidence that Congress, which had blocked all of Reagan's efforts to give military aid to the contras, will change its position.

To achieve this, Calero said, Bush will turn to a "more subtle" and "less aggressive" tactic than that used by Reagan, which did not have good results.

"We will obtain military aid," Calero said, because the defeat of the Democrats will make them reconsider their "liberal posture."

Colonel Enrique Bermudez, another of the seven members of the RN Directorate, also commented to EFE that "one can only negotiate with the Sandinists from a position of force."

On this issue, Nicaraguan President Daniel Ortega warned Bush that he hoped he would not commit "the same errors as Reagan."

Bermudez on New Contra Aid

PA0911201888 Madrid EFE in Spanish
0610 GMT 9 Nov 88

[Excerpt] Miami, 8 Nov (EFE)—Nicaraguan Resistance, RN, leader Enrique Bermudez today said he hopes George Bush, the new U.S. President, will secure fresh aid for the contras.

According to Bermudez, a negotiated solution to the Nicaraguan conflict could be achieved through this aid and "from a position of strength."

Shortly after the first election reports indicated the victory of the Republican candidate, Bermudez told EFE that "it was well known" that Bush backed the RN and the idea that "peace can be achieved only through force."

Although the U.S. Congress—which thwarted President Ronald Reagan's desire to continue financing the Nicaraguan rebels—will continue to be controlled by the

Democrats, Bermudez hopes this opposition will be reduced when the Congress "becomes convinced that the Sandinists are totalitarians."

Bermudez, who until June of this year was the contras' leader, also said: "Peace and democracy are at stake, not only in Nicaragua, but in the rest of Central America as well."

Jeff Bush, the son of the President-elect, today said at his father's headquarters in Houston that Bush "wants to back the contras and the Nicaraguan domestic opposition."

Bermudez added that the contras would surrender their arms, but only in exchange for democracy in Nicaragua.

Wilfredo Montalvan, one of the seven RN leaders, said they will meet with the transition team of the future U.S. Government to request "a clear definition of the new administration's stance regarding Nicaragua." [passage omitted]

Cuban Control of Relief Efforts Questioned

PA1011004988 Managua LA PRENSA in Spanish
7 Nov 88 pp 1, 12

[Untitled editorial]

[Text] President Daniel Ortega announced over the weekend that Cuba will build 1,000 concrete homes for Nicaragua. The donation, which he described as "extraordinary," also includes 5 SIL tank trucks, 10 electrical generators, field tents, and 50 tons of rice and sugar.

However, what is "extraordinary" in this case is that the houses will be built according to "direct instructions" that Fidel Castro will give to 300 Cuban brigade members, who will arrive in Nicaragua in 1989 to build the first 500 houses as well as "to train" and "to provide food support" for the duration of the project to the families that will benefit from it.

The amount of the Cuban aid is all right. LA PRENSA is not opposed to Cuba complying with this social duty. However, what we cannot fail to object to is this matter of Castro having to give instructions on how to build homes in Nicaragua.

The "extraordinary" thing about this aid is that Cubans are to be turned into colonizers of the Atlantic coast. It will open the door for them to engage in activities that are properly the province of the Indian communities in the area.

We feel the Cuban efforts would more directly benefit the Atlantic community if they were devoted to providing construction jobs to the area's residents. The victims of Hurricane Joan are Nicaraguans who are quite capable of developing their own community.

We do not see the need for foreign godfathers who will only come to Nicaragua to impose ideas that are foreign to us and take advantage of a national tragedy to establish a colonial foothold.

Nicaragua needs homes for the victims of Hurricane Joan, not conquerors on the Atlantic coast. What it needs is sufficient tools for reconstruction. We feel a tractor or a grader would be more useful in the hands of area residents than in the hands of a Cuban aspiring to be a colonizer.

Labor Ministry Announces Wage Increases

PA0911202688 Managua Sistema Sandinista
Television Network in Spanish 0200 GMT 9 Nov 88

[Text] The Labor Ministry announced a new wage readjustment today for state and agricultural workers. The wages of approximately 75,000 state workers will be readjusted by 78 percent.

[Begin unidentified speaker recording] Concerning enterprises in the private and mixed sectors and the People's Ownership Area, the mechanics of the wage increases, (?begun) within the framework of the flexible policy initiated in June, call for the workers to discuss with their employers the amount of the wage readjustment in accordance with the enterprises' profits and financial solvency. [end recording]

The wages of agricultural workers will also be readjusted effective 1 November.

[Begin unidentified speaker recording] The daily wage for agricultural workers is 395.20 cordobas, without benefits. When the proportional 13th-month bonus and vacations are included, the daily wage comes to 472 cordobas. [end recording]

In the agricultural enterprises, the wage increases will be subject to agreements between workers and employers. The economic situation of each enterprise will determine these negotiations.

The Labor Ministry explained that employers are free to establish the necessary per diems for workers.

Authorities Announce New Currency Devaluation

PA1011015688 Panama City ACAN in Spanish
0120 GMT 10 Nov 88

[Text] Managua, 9 Nov (ACAN-EFE)—A new 25-percent devaluation of the cordoba on the parallel market effective tomorrow, Thursday, was announced today by a state-owned radio station, citing agents of the legal exchange house.

The source added that, as a result of the change, the purchase price of the U.S. dollar went from 1,600 to 2,000 cordobas and the sale price from 1,680 to 2,100 cordobas.

The variation between the purchase and sale price of the cordoba in terms of the U.S. dollar was agreed to by the directors of the exchange houses that have been functioning in Managua with the authorization of the Sandinist regime since 1985.

There was no change in the official exchange rate, which remains 550 cordobas per dollar.

Panama

Political Leaders Comment on U.S. Elections

Solis on Future Relations

PA0911192688 Hamburg DPA in Spanish
1740 GMT 9 Nov 88

[Text] Panama City, 9 Nov (DPA)—President Manuel Solis Palma has stated that a normalization of Panamanian-U.S. relations following the election of a new U.S. President "will depend on the good sense to be used by the new chief of state in handling his nation's international affairs."

In referring to Panama's future and the results of yesterday's elections in the United States, where Republican George Bush was elected President, Solis Palma stated: "The Panama problem should be looked at, and the United States should review its Panama policy because it is not what it should be. A world power should seek a different international situation."

Meanwhile, Carlos Duque, president of the governing majority party, the Democratic Revolutionary Party, said he hopes George Bush will be "more open-minded than the current President, Ronald Reagan, and that he will look at Panama, the Central American conflict, and other Latin American problems with different eyes."

Duque noted: "The man who will lead the world's greatest power must have a more moderate policy toward our country."

Ritter: No Change in Policy

PA0911232788 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Nov 88 pp A-A, B-4

[Article by James Aparicio]

[Text] Foreign Minister Jorge Ritter yesterday told LA ESTRELLA DE PANAMA that the new U.S. Administration will not change its policy toward Panama. He noted that hard times will continue until the year 2000.

"There are hard times in store for Panama from now until the year 2000, including aggression and new pressures so long as Panama maintains its stance against [U.S.] military bases," Ritter noted. It is the "tactics that will change," he said.

"The new U.S. Administration will not change its fundamental policy toward Panama because it has a strategic interest in remaining in Panama beyond the year 2000," Ritter remarked.

The foreign minister labeled relations with Ronald Reagan's administration as "regrettable" because "they have lacked the necessary consistency and have been more characterized by strategic interest than by an interest of two friends or partners in the Panama Canal." [quotation marks as published]

"Panama must not expect a change in U.S. policy," Ritter warned. He noted that in the next weeks it will be possible to tell if U.S. actions will be soft or hard.

"Within that framework, anything may happen," Ritter added. The foreign minister commented that the United States is always considering a host of actions "ranging from direct military intervention to a negotiated solution."

Ritter ruled out that the new U.S. Administration will increase the economic pressure imposed with the implementation of the War Powers Act [as published] and economic sanctions in March. He said these measures would "affect" U.S. strategic interests and the canal's security.

Ritter noted that U.S. pressures have increased because Panama does not want military bases, which, he stated, "are filled with painful memories."

The foreign minister recalled the tragic incidents of 9-11 January 1964 when the U.S. Army massacred 23 defenseless Panamanians. The victims included students who had tried to raise the Panamanian flag in the former Panama Canal Zone.

He insisted that Panama "does not want U.S. military bases" because of the memory of what the U.S. military police were like, the violation of Panamanian airspace, provocations, and the use of our territory to attack other countries.

"Panama cannot accept that its territory will be used as the platform from which to attack other countries." He argued that the U.S. military presence "turns us into a war theater."

The United States has approximately 10,000 soldiers in Panama to defend the Panama Canal in nine sophisticated military installations. The U.S. bases must leave the country in the year 2000, in accordance with the terms of the Torrijos-Carter treaties signed by the two countries in 1977.

When asked about the presence of the military in Panama's political life and about the charges that Panama is a "dictatorship," Ritter said the differences with other countries where the military abruptly interferes in the democratic system "are immense."

Ritter explained that that presence has "been a nightmare" for other countries. However, the "presence of the military in Panama's political life has never had those connotations" of murders, missing persons, or human rights violations.

The foreign minister noted that regaining our sovereignty is "closely linked to an officer," General Omar Torrijos Herrera. He said there is an alliance "between the popular forces and the armed forces" to defend the country's integrity and sovereignty.

"There is a confrontation," Ritter added between "those who want to have a government docile to the United States and those political and military forces that are defending the country's sovereignty."

"That is the true confrontation and what makes the Panamanian military different from the military of other countries," Ritter remarked. Moreover, he accused the United States of "having no interest in democracy in Panama."

Ritter assured that if Panama were a repressive and strong dictatorship "which would serve U.S. interests and accept U.S. bases, we would not be labeled as a dictatorship and the aggressions would cease."

Arias on U.S. Policy

PA0911194088 Hamburg DPA in Spanish
1848 GMT 9 Nov 88

[Text] Panama City, 9 Nov (DPA)—Ricardo Arias Calderon, Christian Democratic Party president, said the election victory of Republican George Bush, stating that "Bush's victory and the Democratic victory in the Senate and the House will mean that the United States will have a bipartisan policy."

According to Arias Calderon, the results of yesterday's elections "represent a continuation of the current U.S. policy toward Panama: the withdrawal of all support for General Manuel Antonio Noriega and the continuation of support for the Panamanian people to achieve democratization in Panama."

After the Panamanian Legislative Assembly removed former President Eric Arturo Delvalle on 25 February, the Reagan Administration imposed, among other measures, economic sanctions against Panama to force Gen Noriega to give up command of the Defense Forces and to leave Panama. Since then, relations between the two countries have been at their lowest level.

Commentary on U.S. Presidential Elections

PA1011025588 Panama City Televisora Nacional
in Spanish 2300 GMT 8 Nov 88

[Luis Manuel Martinez commentary]

[Text] With just 180 days until the Panamanian elections, today we face the quadrennial political event in the United States, the circus of superficiality in which the problems of American society are not addressed in depth, and the candidates hardly ever stir the passions of the electorate. For this reason, today's commentary is dedicated to the undecided.

The undecided can decide the outcome of the election. The opinion polls—the surveys to determine who will win today's elections in the United States—present a worrisome feature. Almost 25 percent of the American electorate prefers neither George Bush nor Michael Dukakis, attributing their indecision to the fact that neither of the two candidates generates sympathy, is attractive, nor presents a coherent platform vis-a-vis the serious problems of contemporary American society. Thus, the undecided, the apathetic, those who view voting with total indifference, might be the ones who decide the election, either because they voted at the last minute, or because they did not vote at all.

We can be certain that today's elections in the United States are a phenomenon that reflects, like no other, the weakness of American political structures. The number of voters might be 53 percent [of registered voters]. This means there will be a high level of absenteeism. In a democratic country, that absenteeism, the nonparticipation of the masses, is quite frankly a symptom of decadence.

To make sure people vote, Venezuela has established compulsory voting. Those who do not vote cannot leave the country, sign a contract, or carry out a banking or business transaction. In spite of that, young voters in Venezuela have not registered to vote, nor will they vote, this coming 4 December.

In the United States, voting is strictly voluntary. Those who wish to do so may vote. Voter absenteeism is a symptom, among many others, that structures within the United States have been weakened by the rejection of large segments of the population. This large number, this large mass of Americans rejects the political machine and despises the dehumanization of the electoral process, which has reached the point where a senatorial candidate who does not spend between \$10 and \$15 million does not have even the slightest possibility of putting up a fight, even less so of winning, given that local or national television advertising campaigns alone are prohibitively expensive.

Television, radio, and press advertising, campaign offices, the cost of traveling from one town to another within the same state, and in the case of a national

candidate, from one city to another in a different state, all of these are so expensive that the electoral process has remained in the hands of an elite.

The groups that donate campaign funds are the ones that later control the elected candidates. The presidents who received millions of dollars, the senators who received large contributions from industries or companies, later will have to return those favors. Thus, the process is a corrupt one. A Senate race costing more than \$10 million is proof that American democracy has become dehumanized and impoverished in terms of its goals and objectives. That is why the Senate and the House of Representatives are two institutions that are always subject to the vested interests of large corporations, and not to the will, feelings, and hopes of the people who elected their members. Therefore, today we have to say—whether George Bush wins, or Michael Dukakis is elected—that American democracy is losing momentum and depth, to the extent that there are uncharismatic leaders and parties whose programs do not respond to the demands and realities of society's poor people.

George Bush and Michael Dukakis: one of the two has to win. Yet neither of the two meets the expectations of the people of Lincoln and Jefferson.

PRD Leader: Unification Needed for Elections
PA0911153088 Panama City LA REPUBLICA
in Spanish 8 Nov 88 pp 1, 6

[By Ruben Dario Diaz C.]

[Text] Democratic Revolutionary Party President Carlos Duque has asserted that, in view of the current political situation in Panama, it is necessary to think about the unification of political parties for the 7 May 1989 elections. He also said the opposition parties' statements saying they will not participate in the elections is part of their strategy.

Duque said the PRD is undergoing an internal reorganization process and that by December the party will hold a reorganizational congress, which will also set the rules for candidates nominations.

Carlos Duque pointed out that the opposition parties have reiterated that they will not participate in the elections. He noted, however, that this is simply part of a strategy. Nevertheless, Duque sees the elections as a solution to the political crisis, which people have been demanding.

"We have made various appeals to hold a dialogue, but the opposition political parties have not responded to these appeals," the PRD president said.

Duque added that [the May 1989] elections are a constitutional mandate, in compliance with the already established electoral calendar, which was ratified during the electoral ceremony yesterday at the Portobelo Room at

the Atlapa Conventions Center, where the electoral process was officially begun. This electoral process implies that a number of steps should be followed until the May 1989 elections are held.

In conclusion, Duque said that after the elections, the indifferent, the apathetic, and the undecided will be left behind because the electoral process began yesterday, and "We are ready for the electoral process and the voting."

Aquilino Boyd Appointed OAS Ambassador
PA1011121788 Panama City LA ESTRELLA DE
PANAMA in Spanish 9 Nov 88 p A-1

[Summary] The Executive Branch yesterday issued a decree appointing Dr Aquilino Boyd, a prestigious figure in Panama's diplomatic, political, and social world, new ambassador to the OAS.

Dr Boyd has been the Panamanian ambassador to the United States, the United Nations, and a foreign minister. He has carried out several official missions at the highest level, and with extraordinary success. He is well known in Washington, New York, and other important cities in the United States.

Political sources in the capital yesterday commented that his work at the OAS will prove useful for Panama.

Five Killed, 350 Arrested in Cartel 'War'
PA0911230088 Panama City MEDIODIA in Spanish
8 Nov 88 p 2

[Text] Major Domitilo Cordoba, deputy director of the National Department of Investigation (DENI), has told MEDIODIA that 5 deaths and 350 arrests were the initial toll of the war among Curundu [Panama City shantytown] Cartel drug traffickers.

In an exclusive interview with this newspaper, the DENI deputy director disclosed that the murders in Santa Cruz neighborhood, 43d Street in Bella Vista neighborhood, Patio Pinel neighborhood, and the death of two individuals who exchanged gunfire with policemen were all connected to cocaine trafficking.

The war among members of the Curundu Cartel began on 27 October when there was a double murder in Santa Cruz involving two hoodlums: Samuel "Ledher" Garcia and his deputy, Armando Castellero. On Halloween, an unidentified individual was shot to death in Bella Vista, and on Saturday, Alexander Avencilla and a Colombian known as "Lucho" were killed in a gunfight with authorities.

According to Maj Cordoba, "All these deaths are the result of a fight between drug trafficking gangs" disputing the payment of a cocaine shipment.

Cordoba also disclosed that "DENI has worked hard in the past 72 hours to counteract the wave of violence unleashed by the drug mafia.

The DENI official also said his office has "positively identified" the individual who was shot to death on 43rd Street in Bella Vista on the night of 31 October.

"We have already identified him. He was a foreigner, a Colombian, but right now I cannot remember his name,"

the DENI deputy director said, adding that "These cases are on the verge of being solved."

Meanwhile, other sources consulted by MEDIODIA said another Colombian, who was the last person to speak with his compatriot who was later found dead in Bella Vista, is suspected of being the mastermind of this murder and of being the leader of the Curundu Cartel.

Argentina

Alfonsin Congratulates Bush on Election Victory

PY0911154988 Buenos Aires TELAM in Spanish
1519 GMT 9 Nov 88

[Text] Buenos Aires, 9 Nov (TELAM)—President Raul Alfonsin today addressed a message of congratulations from himself and the Argentine people and government to current U.S. Vice President George Bush on his victory in the general elections that were held yesterday in the United States.

The message, which was released today by Government House, states: I am happy to express the congratulations of the Argentine people and government, in addition to my own, for your election victory.

Alfonsin's message to Bush adds: Also please receive my expression of confidence that the relations between Argentina and the United States will continue to progress, while recalling our personal meetings and your 8 July answer to the note the I addressed to you at the end of May.

Peron's Widow Supports Amnesty for Military

PY0911181188 Buenos Aires Domestic Service
in Spanish 1600 GMT 9 Nov 88

[Excerpt] Former President Maria Estela Martinez de Peron has expressed her support of an amnesty for the military men who ousted her. She added that all hatred must be forgotten in striving for national reconciliation.

Former President Martinez de Peron was ousted on 4 March 1976, 9 months before her term in office was due to end. She was replaced by Jorge Rafael Videla, Emilio Eduardo Masera, and Orlando Agosti, who are currently serving their terms in jail for crimes against humanity. [passage omitted]

New Military Household Chief Sworn In 9 Nov

PY0911145188 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0120 GMT 9 Nov 88

[Summary] Buenos Aires, 8 Nov (NA)—President Raul Alfonsin today administered the oath of office to Navy Captain Fausto Juan Carlos Gonzalez, the new chief of the Military Household of the Presidency, replacing Rear Admiral Alberto Gonzalez, who died of a heart ailment in October 1988.

Soviet Scientists Visit Argentine Antarctic

PY0911145788 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 2035 GMT 8 Nov 88

[Text] Buenos Aires, 8 Nov (NA)—A delegation of Soviet scientists today began a visit to the Argentine Antarctic sector as observers of the Antarctic pact. The Soviets will then tour other foreign bases in the Antarctic.

The delegation is headed by Arthur Chilingarov, deputy chairman of the State Committee for Hydrometeorology and Environmental Control.

Before departing for Marambio Base in the company of Air Force Major Victor Soler, Chilingarov said "we are going as observers of the Antarctic pact and we are planning to visit other foreign bases that are under the Antarctic pact jurisdiction."

Chilingarov said "the tour will last 2 months," adding that the ages of the 26 scientists range between 45 and 60.

The delegation departed today for the base at Marambio on board a Soviet Antonov-type plane which is specially designed for landing in small areas [words indistinct] ice.

Three Cocaine Laboratories Found; Two Detained

PY0911181388 Buenos Aires Domestic Service
in Spanish 1600 GMT 9 Nov 88

[Text] Three clandestine cocaine processing laboratories have been discovered in two homes on Marcos Paz Street, and one on (El Morelo) Street. The investigation was ordered by Federal Judge Daniel Fiotti. Two people involved with these laboratories have been detained.

Bolivia

Foreign Minister Views U.S. Elections

PY0911135788 La Paz La Red Panamericana
in Spanish 1130 GMT 9 Nov 88

[Text] Bolivian Foreign Minister Guillermo Bedregal has stated that the U.S. presidential elections are a world event which will influence Bolivia.

Bedregal said that no matter who wins the elections, Bolivia's position with respect to the United States will not change because U.S.-Bolivian relations are currently satisfactory.

Bedregal said that he hopes that at the next OAS meeting we will be able to see whether the U.S. position is now closer to the principles of inter-American coexistence.

Bedregal made it clear that there is some anticipation as to how the new U.S. President will proceed with respect to Latin American countries.

Government To Request Resumption of U.S. Aid

PY0911024588 La Paz La Red Panamericana
in Spanish 0000 GMT 9 Nov 88

[Text] Social Defense Under Secretary Jorge Alderete Rosales stated during a news conference that the executive branch will officially request the U.S. Government to resume aid to the Bolivian Navy [as heard].

Alderete added that the Bolivian Council for the Struggle Against Drug Trafficking will hold a meeting in which the request will be made official.

Brazil

President Sarney Congratulates Bush on Victory

PY0911225088 Brasilia Domestic Service in Portuguese 2100 GMT 9 Nov 88

[Text] Today President Sarney sent a telegram to U.S. President-elect George Bush, congratulating him on his electoral victory. The president says in the telegram that he is sure the international community shares the hope that this moment of political renovation in the country will contribute to strengthening the ideals of peace, development, and increased cooperation among peoples.

Foreign Minister Abreu Sodre said that the situation is something natural in the democratic life of a country. The minister said he hopes the good relations between the two countries will continue to improve.

Abreu Sodre said the election of George Bush as President of the United States was not a surprise. Sodre said he hoped the good relations Brazil has enjoyed with Ronald Reagan's administration will continue under Bush. Sodre admitted that the two countries disagree on some issues, but added that he did not believe that the election of either a Democrat or a Republican candidate would have affected the good relations between the two countries. The Foreign Ministry revealed a short time ago the contents of a telegram that President Sarney sent to President-elect George Bush. The note says:

I wish to convey to your excellency my sincere congratulations—and the congratulations of the Brazilian people—for your victory, a victory that lays on your shoulders the responsibility of governing your great and friendly nation.

The U.S. people, in another demonstration of the strength of U.S. democratic institutions, trusted in the leadership, the spirit of public service, and the statesmanship of your excellency.

I am sure that the international community shares the hope that this moment of political renovation in the country will contribute to strengthening the ideals of peace, development, and increased cooperation among peoples.

As president of Brazil, I reiterate to your excellency that I am convinced that our relations with the United States can further develop into a firmer dialogue and cooperation so as to continue working together for the strengthening of the traditional and permanent friendship between our countries.

Please accept my wish for a successful administration.

[Signed] Jose Sarney, president of the Federative Republic of Brazil.

Army Troops Occupy National Steel Plant

PY1011024488 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 9 Nov 88

[Text] The Army has occupied the National Iron and Steel Company [CSN] in Volta Redonda, Rio de Janeiro State, to evict metalworkers who are on strike inside the plant. The strike has been going on for 3 days, and the damage caused to the CSN has reached 7.5 billion cruzados.

This morning 500 Army troops occupied the steel plant. Daily steel production, which totals 13,000 tons, has been paralyzed. Early in the afternoon the Army troops entered the Central Administration building where 2,000 workers are employed. The situation was tense during the change of shifts. The Army prevented metalworkers from entering, while the strikers who were outside prevented their colleagues from leaving the plant.

Late in the afternoon the company's board offered a 26-percent wage hike, referring to the Bresser plan, the payment of the URP [Price Reference Unit] frozen in May, and the 6-hour shifts to be implemented in 60 days.

Tomorrow the metalworkers will hold a general meeting to decide whether to lift the strike or not.

2 Killed, 'Several' Injured

PY1011025088 Rio de Janeiro Rede Globo Television in Portuguese 0230 GMT 10 Nov 88

[Text] A confrontation between Army troops and striking metalworkers from the National Iron and Steel Company [CSN] in Volta Redonda, Rio de Janeiro State, has ended with two people killed and several others injured.

The confusion began when soldiers entered the plant to evict strikers who refused to leave the building. Several workers, soldiers, and police were injured.

The strike began 3 days ago and the economic damage so far has reached 7.5 billion cruzados.

*** Space Cooperation Accord Signed With USSR**

33420006 Brasilia CORREIO BRAZILIENSE in Portuguese 20 Oct 88 p 21

[Article by Dilze Teixeira, special correspondent]

[Text] Moscow (from a special correspondent)—The accord signed between the Brazilian and Soviet Governments on "cooperation in the field of space research and the utilization of space for peaceful purposes" is considered the most important of all so far "and more encompassing than that signed with China at the end of August

this year, which is limited to the development of satellites," according to Science and Technology Minister Ralph Biasa. He explained that the space accord "has in view, basically, the development of guidance systems, of fuel and rocket propulsion, as well as the exchange of scientific delegations in the fields of physics, chemistry, and biology" and that through this accord, Brazil will be able to provide the Soviet Union with technology in the area of software engineering, industrial automation, and information systems networks, which Brazilian firms have now mastered.

Retaliation

Ralph Biasa does not believe that retaliatory measures will be adopted on the part of the United States as a result of the accord that has been signed: "The national policy in this area of scientific and technological development—and this includes information systems and automation—is autonomous, and for that reason, we are free to make any accord with the Soviet Union or any other country," he commented.

That is not the expectation, however, of Foreign Affairs Minister Abreu Sodre. In his opinion, "there could be retaliation by the U.S. Government, but this is natural, and diplomacy exists precisely for resolving those difficulties." The foreign affairs minister said that he does not fear the American reaction because "it is natural that this occurs. When a country begins to grow, it threatens the space of others. What we cannot do is remain linked to the United States forever."

Along with all of the ministers comprising the presidential committee, Abreu Sodre acknowledged that he was "very satisfied" with the result of Sarney's visit to the Soviet Union which, he said, "inaugurates the relationship between the South and the East, broadening the scope of alternatives for Brazilian foreign policy." He denied, however, that the new Brazil-Soviet Union relationship signifies the beginning of a process by which Brazil will effect an exchange of partners, substituting those of the North for that of the East.

"The one thing has nothing to do with the other. It must be interpreted as an advance of Brazilian foreign policy that seeks to broaden the relationship with other countries, intensifying the political and commercial interchange," the foreign affairs minister said.

Equipment

Another important accord signed was that establishing an exchange for the purchase of machinery, equipment, and other merchandise between Brazil and the Soviet Union through a line of subsidized financing in the initial amount of \$20 million—on each side—with interest rates of 6.5 percent annually for the contracts with the state (and parastatal) firms and 7 percent annually for the contract with private sector firms. The operations will be for a 10-year period.

In the case of operations involving sales of Soviet machinery and equipment to Brazil or sales by Brazil to the Soviet Union, 5 percent of the total value of the contract will be paid within 90 days from the date of the signing, 10 percent of the value of each shipment will be paid at presentation of the respective bill of lading for shipment, and the remaining 85 percent of the value of each shipment will be paid in equal and consecutive quarterly installments, the number of which will not exceed 17. The first installment must be paid within 24 months.

Planalto Fears Retaliation From the U.S.

Moscow—"We are not rulers of any country. We are not members of any political or military bloc; therefore we are sovereign in establishing relations with whatever nation, in accordance with our interests." That was President Jose Sarney's reply when asked during a press interview if the Brazilian Government did not fear retaliation from the United States following the accord that it signed with the Soviet Union.

But he added that "the relationship between Brazil and the Soviet Union cannot be carried out to the detriment of the relationship that the countries maintain with the United States." He also said that in strengthening relations with the Soviet Union, "Brazil is exercising the sovereign right to have complete relations with the entire world."

Problems

Even so, the president revealed that he had no illusions that he will not confront problems. "I do not believe that we will not have problems in relations with the United States, or any other country with which we maintain diplomatic relations," he said.

He was asked if, in signing the accord denouncing the militarization of outer space, the Brazilian Government was taking a position against the Star Wars program of President Reagan, and he responded: "Since 1985 my government has maintained a position of opposition to the militarization of outer space." And even when pressed by the insistence of the reporter who asked if he could be more specific, asking if he thought that the space defense program of the U.S. Government was threatening world peace, Sarney limited his response by saying that "outer space should never be militarized."

During the interview, President Sarney commented on the results of his visit to the Soviet Union by saying that "it was a big success" and that it will henceforth be possible to carry out a joint endeavor with broad repercussions among other countries. He recalled the series of accords signed, citing specifically the science and technology accord and the accord establishing a special line of financing for the purchase and sale of capital goods.

Principal Items of Cooperation [Boxed item]

- Cooperation in the area of space research and in the use of space for peaceful purposes, in accordance with the laws of each country;
- Studies of the physics of sun-earth interaction, space plasma, radio-astronomy, solar system, development of space vehicles, etc.;
- Exchange of scientists and other specialists, scientific data; utilization of launch vehicles and launching centers;
- The two parties will designate the organizations responsible for the execution of the accord;
- The implementation of specific cooperation programs between Brazilian and Soviet institutions will take place following approval by the organizations;
- Encouragement of international cooperation in the study of legal questions of mutual interest, during space exploration;
- The agreement is effective as of its signing and will be in effect for a period of 10 years, that is, until 1998. Programs in progress will not be affected.

Nationally-Made Nuclear Reactor Begins Work
PY1011012488 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 9 Nov 88

[Excerpt] Today Brazil entered a new era in the history of nuclear energy control. The first nuclear reactor totally made in Brazil began operating at the Institute for Nuclear and Energy Research [IPEN] of Sao Paulo. The reactor was built by the Brazilian Navy and IPEN technicians and scientists.

Two years ago a group of IPEN employees formed a soccer team and began practicing in a small field near the area where the new nuclear reactor, designed and operated by the team, began operations today.

The nuclear reactor will not produce electric power, much less an atomic bomb. The reactor can only generate 100 watts of energy; that is, only enough energy for a common lamp. The importance of the reactor transcends its capacity. The laboratory can simulate the real conditions of a nuclear power plant; this is the first step toward the construction of a Brazilian-designed energy reactor.

[Begin IPEN Superintendent Claudio Rodriguez recording] From now on our nuclear physicians and scientists will have an important tool for research and the production of a Brazilian nuclear power reactor. [end recording] [passage omitted]

Sarney Expels Three Foreign Drug Traffickers
PY0911125288 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 9 Nov 88

[Text] President Sarney has expelled from the country three foreigners involved in drug trafficking. The president's decision was based on the law that regulates the involvement of people in drug consumption or trafficking.

The expelled foreigners are a Nigerian, Abdul Babalous; a Bolivian, Armando Otero; and an Argentine, (Maria Costeri Viuva).

Chile

Pinochet, Foreign Minister Congratulate Bush
PY0911225688 Santiago Domestic Service in Spanish 2200 GMT 9 Nov 88

[Text] President Augusto Pinochet has sent a message of congratulations to U.S. Vice President George Bush on his victory in the U.S. presidential elections.

The text of the note says:

On behalf of the government and people of Chile and myself I want to express our wholehearted congratulations on your victory in the presidential elections and voice my hopes that the Chilean-U.S. relationship under your administration may be constructive, understanding, and cooperative.

This is the text of the message that President Pinochet sent U.S. Vice President George Bush.

Chilean Foreign Minister Hernan Felipe Errazuriz also sent a message to the winning candidate, which reads:

Please accept my warmest congratulations on your victory. I also want to wish you all the best. Sincerely, Hernan Felipe Errazuriz, Foreign Minister.

Commentary Supports Bush Election Victory
PY0911140488 Santiago Domestic Service in Spanish 0930 GMT 9 Nov 88

[Commentary by Alberto Callis Rodriguez]

[Text] The victory of George Bush, the U.S. Republican Party presidential candidate, will have both a direct and indirect impact on Chilean political affairs.

Undoubtedly, those sectors that supported the no-vote in the recent Chilean plebiscite would have preferred to see Democrat Michael Dukakis win the U.S. elections rather than the cold and pragmatic George Bush, who is the symbol of the victorious U.S. rightist sectors.

A Dukakis victory would have meant the massive return of leftists, or liberals, [preceding term in English] to the Washington bureaucratic system, particularly to the State Department, where they still exert influence in some sectors.

No one can forget Jimmy Carter's term, when there was an overall disadjustment in international politics. This openly encouraged the Soviet expansionist policy and allowed Moscow to increase its influence in the Middle East, Southeast Asia, and Central America.

The return of the Republicans to the White House partially corrected this imbalance in world politics, although President Ronald Reagan has received little support from the U.S. Congress in his efforts to halt the advance of communism.

During the Chilean plebiscite, the intervention of U.S. sectors in Chilean domestic affairs created a painful and difficult situation because no efforts were even made to deny the donation of U.S. funds to Chilean opposition leaders.

Therefore, George Bush's victory will have some influence in the development of the Chilean political process. The White House will continue to reassert its preference for maintaining open markets and an economy without any restrictions.

Chilean exporters can be certain that the Bush administration will not promote protectionist measures that could have undermined Chilean exports. A Dukakis victory would have resulted in a serious threat to the development of Chilean exports to the United States.

In the political arena one need not be very intelligent to realize the the Bush administration would prefer to see the next Chilean Government based on political, economic, and social freedoms identified with Western values.

At least this is how we view the matter, although sometimes U.S. policy strategists are worse off than the coyote in the road runner cartoon series we watch on television: They end up down in the abyss with rocks on their heads.

Examples of what happened in Cuba, Vietnam, Laos, Cambodia, Iran, Nicaragua, and Panama are hair-raising experiences.

Indictment of HOY Director, Others 'Reversed'

*PY1011005888 Santiago Radio Chilena Network
in Spanish 2200 GMT 9 Nov 88*

[Excerpt] By unanimous decision today a military court reversed the indictment of HOY Director Abraham Santibanez, reporter Alejandro Guillier, and [words indistinct] Genaro Arriagada.

The court resolution says that after the case file was reviewed, and since the requirements established by Article 274 of the Penal Code were not fulfilled, the 25th January 1988 resolution was reversed. On that date the two reporters and Genaro Arriagada—who was being interviewed—were indicted by Military Prosecutor Enrique Olivares. The three individuals were arrested and held at the Santiago prison. The military court released them today on bail. [passage omitted]

Carvajal: FPMR Propaganda Not Allowed

*PY0911204488 Santiago Television Nacional de Chile
Network in Spanish 1700 GMT 9 Nov 88*

[Text] Defense Minister Patricio Carvajal said today that the government will not allow the FPMR [Manuel Rodriguez Patriotic Front] to make political propaganda intended to gain publicity and support.

Vice Admiral Patricio Carvajal made this statement at the end of a Interior Ministry coordination meeting to review the public activities of the outlawed FPMR. He said the FPMR members have violated the gun control law and have promoted violence. Carvajal denied, however, that the government has been permissive in allowing FPMR members to appear in public in Santiago cemeteries [during the funeral of alleged FPMR terrorists who participated in the attack against the Carabineros building in Los Quenes].

[Begin Carvajal recording] The government has not been permissive. It is not easy to detect FPMR members. Although the people may think the FPMR can be easily identified from pictures published in the press, the truth is quite different. The situation was completely normal during the funeral. No one had his face covered, there were no banners, there were no guns shown. Suddenly banners, guns, and hoods appeared in the cemetery as if by magic.

These items then disappeared once the funeral ceremony was finished. They were either thrown away or hidden.

It is not that easy to spot the FPMR members. Their presence is not easily detected. Their presence was not obvious during the funeral procession nor after their withdrawal from the cemetery. The presence of the FPMR members in the cemetery was only obvious for a few minutes.

Carabineros will respond to the FPMR in a well-planned manner whenever they are confronted with similar actions in the future.

In sum, all I can say is that we will not allow an outlawed illegal terrorist group, which is probably seeking publicity so that it will get more aid from organizations that support terrorists, to continue carrying out these demonstrations. [end recording]

Pinochet Promotes Six Army Brigadier Generals

*PY1011000388 Santiago Domestic Service in Spanish
2200 GMT 9 Nov 88*

[Text] Yesterday President Augusto Pinochet decided to promote the following brigadier generals to the rank of major general: Mario Navarrete Barriga, Eduardo Castellon Keitel, Julio Andrade Armijo, Helmut Kraushaar Scheuch, Jorge Lucar Figueroa, Patricio Gualda, and Hugo Salas Wenzel. This information has just been released by the public relations office of the Chilean Army.

Sinclair To Become Lieutenant General in Dec
PY0911181988 Santiago Radio Chilena Network
in Spanish 1600 GMT 9 Nov 88

[Excerpt] Defense Minister Rear Admiral Patricio Carvajal has confirmed that Major General Jorge Sinclair, the new deputy commander in chief of the Chilean Army, will be promoted to the rank of lieutenant general.

Carvajal said that Sinclair will assume his post in mid-December, and added that he did not know the exact date. [passage omitted]

Metropolitan Region Intendant Resigns
PY0911182488 Santiago Radio Chilena Network
in Spanish 1600 GMT 9 Nov 88

[Excerpt] President Augusto Pinochet has accepted the resignation of Major General Sergio Badiola Broberg, the Metropolitan Region intendant.

Badiola has been replaced by Brigadier General Carlos Carvallo, the director of the Polytechnic Academy. This information, which was released by the Presidential Press Secretariat, states that Badiola resigned for private reasons. [passage omitted]

Government Purchases Portion of Foreign Debt
PY0911205688 Santiago Radio Chilena Network
in Spanish 1600 GMT 9 Nov 88

[All figures as heard]

[Text] Today the Chilean Government purchased \$299 million of its foreign debt with creditor banks. The transaction was made through a public auction at which 129 bidders submitted their offers for a total of \$820 million.

This information was officially disclosed in New York today and announced in Chile at noon by the Central Bank. The official communique was read by Felix Diaz Herreros, the head of the Central Bank public relations office.

[Begin Diaz recording] A total of \$299 million of the nominal value of the Central Bank's foreign debt has been purchased at the price of \$168.4 million, which represents an average value of 56.3 percent of the debt. [end recording]

In other words, the Chilean debt is put up for sale at a value lower than its real value; in this case it was purchased at 56.3 percent of its value, which means that the government only had to pay \$168.4 million for a debt totaling \$299 million.

The Central Bank added that this transaction will represent a savings of \$130.6 million and that during the next 10 years Chile will save \$28.78 million per year in interest payments.

The communique concluded by stating that the purchase of the national foreign debt will allow Chile to gradually return to the voluntary credit market; that is, the banking sector will lend to the government and the private banking sectors without any special requirements.

At this moment the Chilean foreign debt amounts to approximately \$18 billion.

Colombia

Barco Hopes 'Normal Relations' With U.S. Continue
PA0911193188 Bogota Inravisión Television Cadena 1
in Spanish 1753 GMT 9 Nov 88

[Excerpt] [Passage omitted] In mentioning George Bush, the newly elected U.S. President, at the end of a ceremony in which the new defense minister, General Manuel Jaime Guerrero Paz, and the new Armed Forces commanders were presented, Virgilio Barco said:

[Begin recording] We have never expected the United States to give us anything. I hope trade, technical cooperation, and all normal relations that have existed between Colombia and the United States will continue. [end recording]

New Defense Minister Holds News Conference
PA1011044588 Bogota Inravisión Television Cadena 1
in Spanish 0000 GMT 10 Nov 88

[Report by Claudia Munoz Rocha]

[Text] New Colombian Defense Minister General Manuel Jaime Guerrero Paz reasserted that the Armed Forces respect the civilian government and support the president's policy. He feels every opportunity to attain reconciliation must be sought in the struggle against violent groups. In sum, the new Colombian defense minister advocates a dialogue with the subversive groups.

Gen Guerrero Paz had a busy schedule for his 2d day as defense minister. He first reviewed the troops and then held a news conference, where he said the country's public order situation is critical. However, Gen Guerrero Paz stated his optimism about the armed struggle against the subversives, as requested by President Barco.

The new defense minister advocates a dialogue with subversive groups but his predecessor did not.

[Begin Guerrero Paz recording] A dialogue is possible whenever there is loyalty, courage, and the ability to give in, grant things, and attain peaceful solutions. However, if the dialogue is hypocritical and false, and if one of the parties is hiding its cards under the table, then the dialogue will be fruitless, useless, and nothing will be attained. The dialogue is a way to achieve peace. [end recording]

Gen Guerrero Paz firmly asserted that the generals who command the troops are not intellectuals; they are generals who have gathered knowledge throughout 30 years. Referring to his name, Guerrero Paz [literally "warrior peace"] said he has the tenderness of a peaceful man inside the heart of a warrior.

Defense Minister Guerrero Paz said in his first news conference that the public order problem cannot be solved only with military actions. This also demands economic and political actions as a whole, he remarked.

Rebels Kill 2 Policemen in Barranquilla Attack
PA0811191388 Bogota Inrvasion Television Cadena 1
in Spanish 1750 GMT 8 Nov 88

[Report by Oswaldo Castilla]

[Text] Two police officers were killed and two wounded during a shoot-out with 50 ELN [National Liberation Army] and EPL [Popular Liberation Army] rebels this morning.

[Begin recording of unidentified police officer] They damaged the building with explosives during their attack. [end recording]

The four policemen, who were assigned to the Santa Maria police station in southwestern Barranquilla, were surprised by rebels at approximately 0345. The rebels attacked from different directions with machineguns, rifles, and grenades. The brave policemen resisted the attack for 40 minutes, but they eventually succumbed because they were outnumbered by the rebels, who also had more weapons. Adolfo de Jesus Gomez and Jayner Perez Carvallo were killed in the police station by bullets and grenade fragments. The rebels took the police officers' weapons and ammunition and disappeared into the nearby hills, thwarting the efforts of other police officers to pursue them.

Authorities Destroy Marijuana Fields, Shipment
PA0911214788 Paris AFP in Spanish 1440 GMT
8 Nov 88

[Summary] Bogota, 8 Nov (AFP)—Colombian police units have finished destroying 1,200 hectares of marijuana in the Andes in Cauca Department. The authorities also destroyed 270 tons of compressed marijuana that was to be shipped to the United States. The action took place after the government reached an economic and social agreement with the plantation owners, mostly peasants and Indians.

*** Mining Minister on ECOPETROL Finances**
33480016A Bogota EL TIEMPO in Spanish
30 Sep 88 pp 1-A, 10-C

[Article by Hermogenes Ardila: "Minister of Mining: There Will Be Changes in Petrochemical Policy"]

[Text] Minister of Mines Oscar Mejia Vallejo announced yesterday that a new policy will be submitted for consideration by CONPES [National Council for Social and Economic Policy] which would allow ECOPETROL [Colombian Petroleum Enterprise] to participate as a shareholder or supervisor in highly profitable projects such as the polypropylene plants.

The decision to grant the private company the execution of such projects was among those for which the minister was most severely criticized during the debates held in the Congress of the Republic.

The official expressed regret over the attack sustained on Wednesday night by the president of Texaco, John Buttle, claiming that this was a serious incident that would contribute to the deterioration of the country's image abroad.

A group of executives from the multinational firm, who were planning to arrive in the country next week to exchange views with the government on various aspects of the oil industry, cancelled its visit after the assassination attempt on the board member by the ELN [National Liberation Army], according to Mejia Vallejo.

He remarked: "This is a terrorist act which is part of a series of attacks in connection with the so-called national strike planned over the next few days."

At its last meeting, ECOPETROL's board of directors had authorized the signing of a partnership contract with Texas for oil exploration in the Istmina area of El Choco, covering the entire San Juan River hydrographic basin.

He also disclosed that the Drummond company intended to give up its investments in Colombia at the beginning of the year, owing to the ELN's threats, which were reiterated throughout the entire negotiations.

As for polypropylene, the minister said that for the present the Atlantic Petrochemical firm would continue with the installation of a plant using imported raw material.

Meanwhile, the possibility of establishing other complexes with the propylene supply from ECOPETROL, to ensure meeting the domestic demand, will continue to be assessed. Based on the minister's intentions, they would have an investment provided by the state enterprise.

As for the refinery, two American exporters will be hired as consultants, to make recommendations regarding the feasibility of building a single high-level conversion plant, or two or three small ones in various crude producing regions.

New Plan

Another controversial point that has received criticism from Congress members and certain experts also underwent changes: ECOPETROL's investment in the purchase of CARBOCOL [Colombian Coal, Inc.] stock shares to pay the debt totaling \$515 million that the latter company owes to the United States' EXIMBANK [Export-Import Bank].

As the minister announced, a proposal has already been submitted to the National Planning Agency for ECOPETROL not to capitalize CARBOCOL directly by substituting the stock shares for the amount mentioned, but rather to make the contribution by issuing bonds which were subject to earnings.

In this way, the state enterprise would help to solve Colombian Coal's financial problem, but without involving its available funds, because the contribution would be made over a period of 10 years.

He claimed that an attempt would be made to prevent CARBOCOL's technical bankruptcy. At the same time, ECOPETROL will not substitute the debts to EXIMBANK, but rather the recent ones with more favorable credit terms, such as the contributions received from the Jumbo and the Concorde.

He claimed: "This is a good method, because it doesn't entail immediate outlays from ECOPETROL." ECOPETROL will retain 87 percent of the ECOPETROL capital shares, but will not start operating the El Cerrejon Norte mine, as had been proposed by the oil company's former president, Francisco Chona, and, more recently, by Senator Luis Carlos Galan.

The minister claimed that the government is unwilling to accept blackmail and pressure from foreign firms participating in the bidding in the official sector; this was after charging that the Brazilian company, Sade, had threatened reprisals if it was not awarded the contract for the installation of the San Carlos (Antioquia)-Sabanalarga (Atlantico) electric transmission line.

According to the official, this warning was given to ISA [expansion unknown] President Pedro Javier Soto Sierra by Carlos Somaini (Argentine) and a Mr Villate, both Sade representatives.

The contract was awarded to the firm Torres Mexicanas, S.A., for the sum of \$7,419,490 for the southern section (San Carlos-Cerromatoso), and \$9,710,609 for the northern section (Cerromatoso-Sabanalarga).

In its proposal, Sade requested \$8,520,416 in the first instance, and \$10,908,109 in the second; although this latter proposal was more expensive, the same guarantees for participation were not given to this country's engineering enterprises.

The minister maintained that the Brazilian firm, whose attorney is jurist Marleny Sandoval, had the audacity to pay for ads in the press, so as to bring pressure to bear from that source.

Although the minister said that he was not sure of the type of reprisals that would be imposed if it were not awarded the contract, Sade is presumed to be referring to pressure on Brazil not to grant loans to Colombia.

Senator Hugo Escobar Sierra is planning a debate with the minister on this issue. The minister said: "I truly believe that Sade's representatives are behind the promotion of this debate."

Mejia Vallejo also reiterated his views regarding the charges made by Conservative Senator Rodrigo Dangond, who called him a white-collar guerrilla, immoral, traitorous, a rogue, and a scoundrel.

* 1988 Crude Oil Production Reported Down

33480016b Bogota EL ESPECTADOR in Spanish
7 Oct 88 p 7-A

[Article by Ricardo Luna Cano: "Crude Production Down by 35,000 Barrels"]

[Text] As of the end of August this year the daily crude production in Colombian fields had declined by an average of 35,000 barrels from 1987, when it totaled 385,300 bpd. As a result, the extraction goal set in the "Year 2000 ECOPETROL [Colombian Petroleum Enterprise]" plan will not be met.

Meanwhile, the difficulties confronted in adequately supplying the refineries led (between 1987 and this year) to a doubling of the amount of gasoline purchased on foreign markets. Whereas the 1987 average was 11,358 bpd, it rose to 23,700 bpd after the first 8 months of 1988.

Both phenomena have had a severe effect on the financial situation of ECOPETROL and hence on the programming of investments, which attempts to maintain and prolong self-sufficiency and to contribute more appreciably to the execution of the government's development strategies.

The drop in crude production was felt in 11 of the 20 leading national oil operation centers, the hardest hit being the one run by the Cravo Norte association in the Arauca area which, from an average of 187,000 bpd during the previous fiscal year, has attained only 147,500 bpd (a 39,500 bpd reduction) thus far in 1988, despite its having achieved a rate of 192,400 bpd last August.

The status of the contract between Occidental and ECO-PETROL contrasts with that of the Palermo association in Huila, where the daily extraction of crude has risen 7,400 bpd over the 1987 figure.

Impossible Goals To Meet

For all these reasons, and although the average daily production in August was 400,000 barrels, there is no doubt that at the end of this year it will be impossible to attain the goal set in the "Year 2000 ECOPETROL" development plan, in which a rate of 417,000 bpd was predicted for 1988.

Calculations show that to achieve the extraction of the 150 million barrels expected by the oil company for fiscal 1988, there would have to be an increase in the daily average to 550,000 barrels between September and December; this target could only be met in 1990, if the assumptions regarding exploration and success made by the company were fulfilled.

The government, through the minister and the company's president, has reiterated the fact that the exploration program will not be changed, because it represents as much in terms of potential discoveries as it does from the standpoint of incentives for foreign investors.

The crude export goals are not being met either (in the "Year 2000 ECOPETROL" plan, sales of 186,000 barrels per day were estimated and, as of August, that volume stood at 122,564 bpd); the same holds true for income, which has declined drastically as a result of the consecutive reductions in international hydrocarbon prices.

Of the firms established in our country which market crude internationally, by the end of the 8th month of this year only ECOPETROL (with a volume of 66,696 bpd) exceeded its export average compared with 1987, at which time it was 64,740 bpd.

Shell, which sold 35,296 bpd last year, has an average of 29,148 bpd this year. The exports of Occidental, which totaled 35,729 bpd in 1987, have dropped to 26,447.

Sales of fuel oil abroad have been maintained at approximately the level of 57,000 bpd attained during the last fiscal year; this is in contrast to those sales made to ships on international voyages, which declined from an average of 4,019 bpd to 3,000 bpd throughout 1988. The reduction may be due, in part, to the recently reported illegal activity; ECOPETROL filed a complaint on this subject against the companies involved.

Peru

President Garcia Comments on Bush Victory PY1011023688 Lima Television Peruana in Spanish 0100 GMT 10 Nov 88

[Text] President Alan Garcia said today that the election of George Bush is important for Latin America because in contrast to Ronald Reagan he is more pragmatic and realistic.

[Begin Garcia recording] The change of an administration raises for us Latin Americans some expectations. The presidents who attended the recent Punta del Este meeting called for dialogue. We have many things in common with the United States. Due to the great U.S. economic influence, we have economic issues that must be resolved. The rich countries have accumulated great wealth and technology. Because we are poor they have not been able to sell us their products or invest their capital with us. Therefore, we have a common problem. Because of our poverty they have not been able to invest their resources.

This situation should be taken into account with great responsibility by the political leaders of such an important country as the United States. I am sure that regardless of Bush's style, he raises expectations about how he is going to deal with Latin American problems. It is necessary for Latin America to be united so as not to go through financial intermediaries to deal with the United States, which is the greatest participant on the economic, political, and military scene in the world, a country that is in our own hemisphere.

I believe that this is a very important opportunity for the continent. It has always been said that in contrast to the ideological concepts of President Reagan, President-elect Bush has a more pragmatic and very realistic approach. I believe that this is an opportunity to prove how pragmatic we and the United States can be in solving our common problems. [end recording]

Progovernment Sector Criticizes Right PY0911145088 Madrid EFE in Spanish 0031 GMT 9 Nov 88

[By Francisco Figueroa]

[Text] Lima, 8 Nov (EFE)—At a time when the country is enduring a serious economic crisis and a controversy fueled by a request for the resignation of the president, the APRA government of Peruvian President Alan Garcia has criticized the rightist sector led by Mario Vargas Llosa. The APRA campaign is using the slogan "They will not pass."

In an editorial published today, the progovernment newspaper LA CRONICA referred to a statement by Prime Minister Armando Villanueva, who yesterday said that "rivers of blood will flow" if the right returns to power.

"The country needs peace, not blood," a spokesman for the leftist coalition United Left (IU) has said. The IU, the country's second largest political sector, was criticized by LA CRONICA, which blamed both the right and the IU for allegedly attempting "to frustrate democracy."

The warning by Villanueva was addressed to the three parties that make up the Democratic Front (FREDEMO) of writer Vargas Llosa. These are the only rightist sectors that can offer an alternative in the 1990 elections.

Polls have revealed that IU leader Alfonso Barrantes and Vargas Llosa enjoy the strongest support, while Alan Garcia's APRA Party enjoys the support of only one third of the 43 percent of votes that it obtained in the 1985 elections.

Villanueva, who criticized the right in the Andean city of Ayacucho, used milder language after returning to Lima, where he said that if the right wins the 1990 elections, the result of the election should be respected.

The APRA has charged in a communique that a proposal by the Solidarity and Democracy Party (SODE), in which they ask the president to resign the 5-year term he began on 28 July 1985, has "antidemocratic" objectives.

The SODE is a small center-rightist party that formed a coalition with the APRA. It has asked for the resignation of Garcia on the grounds that the president "is obstructing" the solution to what the SODE has called the worst economic crisis in the history of Peru.

Business leader Ricardo Vega Llona, who signed the request, said that Garcia "is disrupting the country."

The APRA maintains that the president is the victim of an "aggressive and antidemocratic" campaign of "infamy, slander, and offense," because he has confronted the most powerful Peruvian economic groups. This is a reference to Alan Garcia's partially enforced nationalization of the banking system.

The majority of the leaders of the most representative parties want to maintain the current constitutional order; that is, to let Alan Garcia complete his 5-year term in July 1990, when a new president will be elected.

The leaders, however, have reminded the government of its responsibilities and of the need to adopt measures aimed at overcoming the serious economic crisis and the serious social unrest.

*** Calls for Garcia's Resignation, Rumors Noted**
33480017A Lima OIGA in Spanish
26 Sep 88 pp 12-17

[Excerpts] [Passage omitted] In a few decades, historians may ask themselves, looking back over the years, what would have happened if on Tuesday 6 September in

Lima, capital of Peru, the American Popular Revolutionary Alliance (APRA) cabinet had accepted President Alan Garcia's offer to resign.

That cold and tumultuous Tuesday, at a tense meeting of the Council of Ministers held a few hours before the most terrible package of measures in living memory was introduced in Peru, the chief executive offered to vacate Pizarro's chair. "I know I am standing in the way of the solution to the problems with the national bourgeoisie and the international financial system. The problem lies not with Peru or with APRA, but with Alan Garcia. I am the one who kicked them in the shin," a reliable source quotes the president as saying (see OIGA No 397). One day earlier, in a tete-a-tete with Luis Alberto Sanchez (as the latter revealed in an article published 2 weeks ago), Alan Garcia told him he was about to make that decision. And Sanchez responded, as he himself wrote, "I was elected vice president to work together with you, not to succeed you." [passage omitted]

President Garcia is right: He is standing in the way of the solution to our country's problems, both domestic and international. And for the good of Peru, he should tender his resignation and the government and parliament should accept it. This alternative has nothing to do with coups or destabilization; quite the contrary. The Constitution provides for such a measure, and sets forth the mechanisms that would be used to change Peru's course and strengthen the democracy.

The country has lost confidence in its leader, a man who promised to govern for all Peruvians in democracy but who borrowed the Marxist program of the United Left (IU) intact. He said that in politics the worst sin is to be naive, and he upset the game board when he tried to nationalize the financial system (a tragedy that turned into an operetta and culminated pathetically last week when the intervention in the Wiese Bank was terminated). In short, this is a president who speaks disdainfully in public and private of the "democratoid, parliamentarist, bourgeois outcome." The nations that make up the industrialized West were able to reach the position they occupy today thanks to that marvelous tool, the rule of law and the stability of the legal system. In those countries where, as Churchill said, when someone knocks on the door at five in the morning it can only be the milkman or the paper boy, and where acts of violence are unknown, the president does not enjoy the papal prerogative of infallibility, and errors are corrected. The chief of state does not visit the jails to free inmates or go to poor neighborhoods to promise adoring crowds that he will promulgate special expropriation laws that will benefit people who invade legitimately owned land. Nor does he implement packages of measures he does not believe in, or blame "the privileged few who have cars" and "exporters of cheap dollars" for the ills that afflict their poorer compatriots after his packages have gone into effect.

Peru today is the only country in the world (in the unenviable company of Liberia, the Sudan, Sierra Leone, Somalia, Zambia, Guyana, and Vietnam) that is ostracized by the international financial system merely because the struggle against the IMF is the only anti-imperialistic banner left to a president who has vowed, "never, ever will I negotiate with the IMF" (as if the country were his personal fief and he an absolute monarch). It is time to stop and reflect seriously on this situation. Peru needs stability and confidence, coherent economic plans, consensus, peace. A dispassionate analysis of what has been happening in the country leads to but one conclusion: Dr Alan Garcia Perez should resign. With the Constitution in hand. In this way, the future will be truly different. And, as if more reasons were needed for taking such a step, let's look at a few of the events that have taken place in the last few days, when the rumors have been flying not only about the "golpes" [blows] exchanged by Deputies Fernando Olivera and Fernando Pilco Deza, but also of other, more disturbing "golpes" [coups].

Early last week Lima was abuzz with rumors of all kinds. Word had it that Carlos Andres Perez had sent a plane that would spirit President Garcia out of the country. Another story said that Vice Minister of the Interior Agustin Mantilla had fled to Colombia. Still another had the United States stationing an aircraft carrier off the coast of Peru. La Atarjea was rumored to have been blown up by terrorists, and the tanks were reportedly warming their engines. The news traveled from mouth to mouth, over the telephone lines, spreading like wildfire through newspaper stories and political circles, embassies, ministries, streets, and plazas. The dollar shot up to 500 inties on the "informal market" and showed signs of continuing to soar. Nervous APRA officials began to make hasty vacation plans and shut down their offices. Numerous members of parliament emptied out their desk drawers, held powwows, and weighed the pros and cons of going underground or requesting asylum. Diplomats called reputedly well-connected journalists and dispatched telexes to their foreign ministries. On Wednesday, when the rumors reached their climax, several newspapers echoed them, contributing to the rising panic. In Trujillo, a production minister almost fainted when he went to the airport to catch a flight back to Lima and saw a group of soldiers in battle dress. The men in uniform approached the minister and he broke into a cold sweat. He finally heaved a sigh of relief when one of the military officers, General Silva Tuesta, explained to him with a smile (revealing that he had guessed what was going on inside the rather bald head of the mustachioed minister) that he and his group were just returning from some routine maneuvers.

All rumors are based on half-truths, and this occasion was not the exception that proves the rule. In fact, there was a lot of coming and going on the part of the military, and not a few provincial military commanders were spotted in the vicinity of the "little Pentagon." But they

were not plotting, just taking an interest in the preparation of promotion lists that are always drawn up at this time of year. It was also true that a U.S. aircraft carrier, the "Independence," was near the Peruvian coast. Its mission was not to support a coup; it was simply on its way to the Atlantic through the Strait of Magellan (it is too big to go through the Panama Canal). The ship stopped for a few hours about 100 miles off our coast. Modern supersonic aircraft flew to Peruvian bases and brought high-ranking military commanders to the aircraft carrier for a courtesy visit. Then, after the jets had dropped the guests off on terra firma, the "Independence" continued peacefully on its way south. On the other hand, the rumors that reported Mantilla fleeing, Carlos Andres Perez sending a plane, the tanks rumbling toward the palace, and the defense minister stepping down, were completely false. The latter rumor was contained in the report of a weekly that even had the armed forces plotting to assassinate President Garcia after the coup. The comparison with Allende was transparent and malicious, and military officials were deeply upset and irritated.

What did reach the palace, according to some generally reliable sources, was a manila envelope, Monday night. The envelope was addressed to President Garcia, and inside it was a missive written by junior officers. The letter, this source said, requested salary increases and expressed the officers' concern about the Armed Forces' logistical problems. Whether or not the story of the manila envelope is true, the fact is that the government did give the officers a raise. It is also a fact that they are worried about the problems of battle and logistical equipment that have arisen as a result of the economic crisis and Peru's isolation from international sources of financing. This concern came to light, for example, in the speech given last Saturday in the Plaza de la Bandera by General German Vucetich Zevallos, chairman of the Joint Command of the Armed Forces. The occasion was the celebration of Virgin of Mercy Day, in honor of the patron saint of the military. "We should make sure we equip ourselves in accordance with the technological demands of modern warfare, so that we can fulfill the sacred and honorable mission that the Constitution gives us," said Air Force General Vucetich the day before yesterday.

Just as significant as his pinpointing the logistical problems was his mention of the Constitution. The public statements of Defense Minister, General Enrique Lopez-Albujar (who has sent a severe letter to one organ of the mass media demanding the retraction of a story on the imminence of a coup) and those of the chairman of the Joint Command leave no room for doubt about the military's respect for the democratic system. This does not mean they should not feel worried; indeed, they cannot help but worry about certain logistical problems of the operative air, sea, and land units. The military's concern about its financial position (now partially resolved with the pay raises) and the lack of equipment (insoluble as long as the country fails to normalize its international financial relations) was distorted and turned into coup threats last week.

Suspicious analysts have wasted no time in questioning the origin of the coup rumors that swept Lima and alarmed the populace, incidentally causing the dollar to skyrocket and provoking not a few attempts by bureaucrats and parliamentarians to flee the country (by the weekend, the dollar had fallen back down and the bureaucrats and parliamentarians had returned to their normal routines). These same suspicious analysts have not hesitated to link the coup rumors to the quick squelching of the attempted rebellion within APRA (OIGA No 398). In fact, just as the demands of the "comision bisagra" [hinge commission] (may it rest in peace) were reaching their peak, threatening to alter the balance of power in the Aprist Party of Peru (PAP), the coup rumors blew in and snuffed the fires ignited by the rebellious legislators. Armando Villanueva del Campo found an unexpected ally in the rumors, which enabled him to convince the "hinge commission" members that they should keep their mouths shut and not make waves. On Tuesday, at the Alfonso Ugarte headquarters, Villanueva let loose with a veritable diatribe against the Aprists who were becoming allies of the "right," and accused them of being traitors. The next day, in a stormy meeting with the Aprist Parliamentary Bloc (CPA), he recanted and stated that he had only been referring to the "traitor" Jorge Torres Vallejo. But he was uncompromising in his demands for "unity, fraternity, and discipline." The "hinge commission" ended its meteoric career by retreating with its tail between its legs, and closed ranks behind an Alan Garcia whom it had begun to doubt for a few days. The greatest beneficiary of the coup rumors was actually the current resident of the palace. And the recommendations of the late lamented "hinge commission" were described by the progovernment daily HOY as "an anticlimax." On Friday the former members of the "hinge commission" were subjected to disciplinary procedures in the PAP for daring to call for economic changes.

Being an able strategist, however, Villanueva took advantage of the coup rumors not only to give the palace a shot in the arm (the suspicious analysts surmise that the palace itself may have originated the idea of spreading rumors), but also to obtain some support from the sectors of production by lifting the price freeze and halting the intervention in the Wiese Bank. Both decisions, coupled with Minister Salinas' trip to the annual IMF meeting, prompted sighs of relief. We should not harbor too many illusions, however, about what Salinas may be able to accomplish in Berlin, where he is accompanied by an entourage that includes Javier Abugattas (the new Carbonetto, not to the palace but to the Ministry of Economy and Finance). Hamstrung by the president's refusal to negotiate with the Fund, lacking a medium- or long-term economic plan, Salinas does not have much to say in Berlin. At the most, he may conduct a little public relations campaign with organizations that regard Peru as an example of how not to run a country's economy. The way things stand now, the financial pipeline will remain closed to our country. This includes not only financing from the IMF and the World Bank, but

also organizations such as the Andean Reserve Fund (FAR), which has reportedly decided not to lend any economic assistance to Peru because it has no plan.

Another action aimed at creating a "climate" with businessmen and the citizenry in general is the authorization of savings accounts in dollars. It is doubtful, however, that anyone in this country is so naive as to have faith in this kind of mechanism, given that at any moment someone might get a notion in his head to upset the game board again. And herein lies the quid pro quo. While all efforts at coordination and stability are susceptible to abrupt changes, the country will not be able to find its way. If the Aprist Party is working for the good of the majority, as it claims, it should have the historical courage to remind President Alan Garcia of the offer he made on Tuesday, 6 September.

Workers Striking Against Salary Ceiling
*PY0911172988 Madrid EFE in Spanish 1809 GMT
8 Nov 88*

[Text] Lima, 8 Nov (EFE)—One-third of the unionized Peruvian workers have joined in strikes to ask the government to abrogate a law restricting salary increases to the equivalent of \$80 monthly.

The strike are being sponsored by the main labor unions: the General Confederation of Peruvian Workers (CGTP), which has a communist leaning, and the Confederation of Peruvian Workers (CTP), which is made up of dissident members of the ruling APRA.

Representatives of the strikers have said that the ceiling on salary adjustments represents an attack on the income of the workers, who in the past few months received automatic increases commensurate with increases in the cost of living, which has exceeded 900 percent so far this year.

The most important strike is a 22-day-old strike by some 60,000 miners. According to official sources, this strike is causing daily losses of \$5 million in production and sales.

The sources added that a miners' strike between July and August 1988, which lasted for 28 days, caused losses of about \$120 million.

The strikes in the mining sector, which represents 54 percent of the foreign exchange income for Peru, involve the U.S. "Southern Peru Copper Corporation," which is mining the Toquepala and Cuajone copper deposits—the main copper deposits in the country—and the two state-owned refineries.

The strike has also paralyzed other private companies and the state-owned companies "Centromin-Peru" [Central Peruvian Mining Enterprise]; "Hierro Peru" [Peruvian Iron Mines Enterprise]; and "Cerro Verde," the main suppliers of lead, silver, copper, and zinc. The production shortage has forced the suspension of mineral shipments abroad.

About 30,000 private commercial bank employees have been on strike for 2 days now, partially interrupting banking activities involving foreign exchange operations, payments of checks, bank drafts, promissory notes, and bonds for import-export operations.

Leaders of the Peruvian Bank Employees Federation (FEB), which includes 90 percent of the Peruvian bank employees, have said that yesterday the police detained four FEB leaders and that 1 dozen strikers were injured during police repression of demonstrations.

Yesterday the Interior Ministry ordered several hundred policemen—protected by shields and bulletproof vests and supported by police vans—to prevent the strikers from causing disturbances in Lima's leading commercial centers.

The strikers have also been joined by workers of the state-owned food distributors, electric power companies, public charity organizations, the judicial branch, and private textile companies. These strikes involve at least 80,000 workers.

APRA leaders and congressmen have agreed in charging that the strikes are meant to destabilize the government of President Alan Garcia, who will complete his 5-year term in July 1990.

Labor Minister Orestes Rodriguez has pointed out that the objective of the law on salary ceilings is to safeguard the country's economy, defend the financial status of the enterprises, and curb runaway inflation.

Economic observers have predicted that by the end of 1988 Peru will have a 1,400-percent inflation rate, the highest ever registered in this country of 21 million inhabitants, and a \$250-million trade deficit.

Suriname

Union Leaders Accuse Netherlands of 'Meddling'
FL0911150488 Bonaire Trans World Radio in English
1130 GMT 9 Nov 88

[Text] Union leaders in Suriname have accused the Netherlands of meddling after a parliamentary delegation called for an end to Suriname's 2-year guerrilla war.

The visiting Dutch delegation said the war must be ended before aid to Suriname can resume; 1.6 billion Dutch guilders in aid from Holland to Suriname has been suspended. The first annual payment of the aid is due in March of next year.

The Netherlands has already agreed to send \$100 million in emergency aid between now and April of next year.

Delegation Wants Normalization

FL0911220088 Paramaribo International Service
in English 1730 GMT 9 Nov 88

[Text] The visiting Dutch parliamentary delegation is amazed at the attitude of the Surinamese authorities in relation with their standpoint. The Dutch parliamentarians from the second chamber have declared that the results of the peace process are decisive for the full resumption of the development aid to Suriname.

The Dutch politicians argue that the development aid must be for the benefit of everyone. According to the delegation members, aid is not possible as long as the situation in east Suriname is not normalized.

This standpoint has caused indignation in Surinamese political circles. The Dutch people's representatives did not understand this indignation. According to them, they have not announced anything new. Delegation member (Jan Broenk) claims that this condition was already made during the negotiations surrounding Suriname's independence in 1975. In that period, (Broenk) was minister of development cooperation. The delegation chairman, Mr (Jupt Devour), says he doesn't know whether the foreign minister has informed the Surinamese authorities about this.

The delegation, which arrived last Saturday in Suriname, is on an orientation visit. They will leave on Saturday for Holland.

Soemita Claims 'Interference'

FL0911221588 Paramaribo International Service
in English 1730 GMT 9 Nov 88

[Text] It is not certain whether the three front leaders [Front for Democracy and Development leaders Willy Soemita, Henck Arron, and Jaggernath Lachmon] will go to Holland this month as was originally announced.

This was stated by Mr Willy Soemita, one of the front leaders, in a radio interview. Soemita said that the future of visit to Holland will in the first place depend on what is happening during the visit of the Dutch parliamentary delegation which is currently in Suriname on an orientation visit. Remarks which were made by the delegation have created a stir because the delegation said that first peace must be accomplished in east Suriname before the development cooperation can fully be restored.

Soemita said that it's the Surinamese people's representatives who must control the way in which the country is being led by the government. Soemita said the attitude of the Dutch parliamentarians is nothing short of interference in the internal affairs of Suriname.

Caricom Official Meets With Foreign Minister
FL0911221888 Paramaribo International Service
in English 1730 GMT 9 Nov 88

[Text] The foreign affairs official of the Caribbean Community, Caricom, is currently in Suriname on an orientation visit.

Suriname enjoys observer status in four committees of Caricom.

The Caricom representative, Fred Campbell, last Monday held talks with Foreign Minister Eddie Sedoc. During these meetings, the development within Caricom and the relation of the regional organization with Suriname

were discussed. Also, discussions were held on the first meeting of the joint (?people's) group of cooperation relations which was founded in 1984 by Suriname and Caricom.

The Caricom official has further held talks with the director of the chamber of commerce, the minister of economic affairs, and the deputy director of [word indistinct] Bureau.

Mr Campbell also paid a visit to the Suriname News Agency to discuss the exchange of information between Suriname and Caricom.

Today, the Caricom official will return to the Caricom Secretariat in Georgetown, Guyana.